

NATIONAL DAIRY MARKET AT A GLANCE

CHICAGO MERCANTILE EXCHANGE (CME) CASH MARKETS (2/4):
BUTTER: Grade AA closed at \$0.9625. The weekly average for Grade AA is \$0.9575 (+.0575).

CHEESE: Barrels closed at \$1.0825 and blocks at \$1.1100. The weekly average for barrels is \$1.0855 (-.0045) and blocks, \$1.1100 (N.C.).

NONFAT DRY MILK: Extra Grade and Grade A closed at \$1.0300. The weekly average for Extra Grade is \$1.0300 (N.C.) and Grade A, \$1.0300 (N.C.).

BUTTER: Butter prices are higher than last week, although weakness occurred late in the week at the CME. The market tone remains mixed. Many producers and handlers are still confused by recent CME price increases in the face of heavy stocks and light to moderate demand. Demand, for the most part, is centering around short term or immediate use needs. Churning schedules across the country are reported to be heavy with cream offerings readily available from local and out of area sources. Butter stocks are building as production out paces current demand.

CHEESE: The cheese market is about steady. Cash prices have settled in near CCC purchase prices. Some discounting is occurring to stimulate sales. Buyers are not overly aggressive in building stocks except for cheddar aging programs. Overall, cheese and milk production remain well above year ago levels. Initial estimated U.S. cheddar cheese output during 1999 totals 2.835 billion pounds, up 190.5 million pounds (7.2%) from 1998. Estimated total cheese output in 1999 totals 7.947 billion pounds, up 445.0 million pounds (5.9%) from 1998.

FLUID MILK: Milk production is generally strong throughout the country with a few mixed reports in the East due to inclement winter weather. Movement of milk in the East is being hampered by poor road conditions. Class I demand is fair to good as a result of first of the month buying patterns and panic purchases related to the storms in the East. Class II movement is seasonally steady. Heavy supplies of cheaper NDM product are deterring interest in condensed skim. The fluid cream market is steady to weak despite higher butter prices at the CME. Buyers are trying to negotiate lower multiples. Ice cream output and churning activity are generally steady. Milk movement into Class III and IV plants is strong with most plants operating at capacity levels.

DRY PRODUCTS: Dry product markets are generally steady to weak at prices unchanged to lower. NDM prices are being held at the current level by good movement into the CCC and DEIP. Production is steady with some declines noted in the East due to winter storms and increased Class I demand. Buttermilk prices continue to move downward. Buyer interest is light and competitive between regions. Stocks are heavy and building. Whey prices are generally trending lower. Good sales last week alleviated some of the excess

supplies. Current spot interest is light with production exceeding expectations. The lactose market is unchanged. WPC prices moved higher as the market is showing signs of firming.

CCC: Net purchases for the week of January 31 - February 4, totaled 12,796,177 pounds of nonfortified NDM. This included 1,050,380 pounds from the Midwest and 11,745,797 pounds from the West.

JANUARY AGRICULTURAL PRICES HIGHLIGHTS: The index of prices paid by farmers for commodities and services, interest, taxes, and wage rates in January 2000 was unchanged at 118. Compared with January 1999, the index was up 3 points (2.6%). The index of prices received by farmers for dairy products declined 2 points during the month of January 2000 to 91. Compared with January 1999, the index was down 42 points (31.6%). Prices received by farmers in January with changes from December were: for All Milk, \$11.90, down \$0.30; for Fluid Grade Milk, \$12.00, down \$0.20; and for Manufacturing Grade Milk, \$10.70, unchanged.

CLASS AND COMPONENT PRICES (DAIRY PROGRAMS): The first announcement of final prices under the New Federal Order Reform are as follows Class II \$11.43; Class III \$10.05; and Class IV \$10.73. Product price averages used in computing Class prices are as follows: butter \$0.8820; nonfat dry milk \$1.0115; cheese \$1.1517; and dry whey \$0.1857. The Class II butterfat price is \$0.9436 and the Class III/IV butterfat price is \$0.9366. The last milk price announced under the Basic Formula Price (BFP) was the December BFP at \$9.63. Further information can be found at:

http://www.ams.usda.gov/dairy/ann_class_comp_pr-01-00.htm

INVITATION TO SUBMIT PROPOSALS ON CLASS III & IV PRICING (DAIRY PROGRAMS): The Consolidated Appropriations Act, 2000, requires the Secretary of Agriculture to conduct a formal rulemaking proceeding to reconsider the Class III and Class IV milk pricing formulas included in the final rule for the consolidation and reform of Federal milk orders. The hearing will also consider proposals that address changes to any of the factors such as the specification of the products whose prices are identified, the yield factors, and the make allowances included in the computation of the component prices. The formulas resulting from the required proceeding are to be implemented on January 1, 2001. Consequently, USDA is requesting that interested parties submit proposals to modify the computation of Class III and Class IV prices adopted in the final rule published in the Federal Register on September 1, 1999 (64 Fed. Reg. 47897-48021) by February 29, 2000. It is anticipated that such a hearing would be held in late April or early May 2000. Further information can be found at:

http://www.ams.usda.gov/dairy/invite-III_IV.htm

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**CHICAGO MERCANTILE EXCHANGE
 CASH TRADING**

CHEESE: carload = 40,000-44,000 lbs., NONFAT DRY MILK: carlot = 42,000-45,000 lbs., BUTTER: carlot = 40,000-43,000 lbs.

| PRODUCT | MONDAY JANUARY 31 | TUESDAY FEBRUARY 1 | WEDNESDAY FEBRUARY 2 | THURSDAY FEBRUARY 3 | FRIDAY FEBRUARY 4 | WEEKLY CHANGE* | WEEKLY AVERAGE# |
|--------------------------------|----------------------|-----------------------|-------------------------|------------------------|----------------------|-------------------|----------------------|
| CHEESE BARRELS | \$1.0900 (N.C.) | \$1.0900 (N.C.) | \$1.0825 (-.0075) | \$1.0825 (N.C.) | \$1.0825 (N.C.) | -.0075 | \$1.0855 (-.0045) |
| 40# BLOCKS | \$1.1100 (N.C.) | \$1.1100 (N.C.) | \$1.1100 (N.C.) | \$1.1100 (N.C.) | \$1.1100 (N.C.) | N.C. | \$1.1100 (N.C.) |
| NONFAT DRY MILK EXTRA GRADE | \$1.0300 (N.C.) | \$1.0300 (N.C.) | \$1.0300 (N.C.) | \$1.0300 (N.C.) | \$1.0300 (N.C.) | N.C. | \$1.0300 (N.C.) |
| GRADE A | \$1.0300 (N.C.) | \$1.0300 (N.C.) | \$1.0300 (N.C.) | \$1.0300 (N.C.) | \$1.0300 (N.C.) | N.C. | \$1.0300 (N.C.) |
| BUTTER GRADE AA | \$.9400 (+.0300) | ----- | \$.9700 (+.0300) | ----- | \$.9625 (-.0075) | +.0525 | \$.9575 (+.0575) |

*Sum of daily changes. # Weekly averages are simple averages of the daily closing prices for the calendar week. Computed by Dairy Market News for informational purposes. This data is available on the Internet at WWW.AMS.USDA.GOV/MARKETNEWS.HTM

CHICAGO MERCANTILE EXCHANGE

MONDAY, JANUARY 31, 2000

CHEESE -- SALES: 1 CAR 40# BLOCKS @ \$1.1100; BIDS UNFILLED: NONE; OFFERS UNCOVERED: NONE

NONFAT DRY MILK -- SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: NONE

BUTTER -- SALES: 4 CARS GRADE AA: 1 @ \$0.9325, 1 @ \$0.9350, 1 @ \$0.9375, 1 @ \$0.9400; BIDS UNFILLED: 1 CAR GRADE AA @ \$0.9375; OFFERS UNCOVERED: 1 CAR GRADE AA @ \$1.0000

TUESDAY, FEBRUARY 1, 2000

CHEESE -- SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: 1 CAR 40# BLOCKS @ \$1.1200

NONFAT DRY MILK -- SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: NONE

WEDNESDAY, FEBRUARY 2, 2000

CHEESE -- SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: 1 CAR BARRELS @ \$1.0825

NONFAT DRY MILK -- SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: NONE

BUTTER -- SALES: 6 CARS GRADE AA: 2 @ \$0.9625, 1 @ \$0.9600, 1 @ \$0.9650, 1 @ \$0.9675, 1 @ \$0.9700; BIDS UNFILLED: 13 CARS GRADE AA: 1 @ \$0.9600, 1 @ \$0.9525, 2 @ \$0.9500, 5 @ \$0.9400, 1 @ \$0.9300, 1 @ \$0.9200, 1 @ \$0.9100, 1 @ \$0.9000; OFFERS UNCOVERED: 21 CARS GRADE AA: 1 @ \$1.0100, 20 @ \$1.0500

THURSDAY, FEBRUARY 3, 2000

CHEESE -- SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: NONE

NONFAT DRY MILK -- SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: NONE

FRIDAY, FEBRUARY 4, 2000

CHEESE -- SALES: 2 CARS BARRELS @ \$1.0825; BIDS UNFILLED: NONE; OFFERS UNCOVERED: 1 CAR BARRELS @ \$1.0825

NONFAT DRY MILK -- SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: NONE

BUTTER -- SALES: 17 CARS GRADE AA: 4 @ \$0.9725, 3 @ \$0.9750, 2 @ \$0.9700, 1 @ \$0.9650, 1 @ \$0.9550, 1 @ \$0.9500, 1 @ \$0.9525, 1 @ \$0.9650, 1 @ \$0.9675, 1 @ \$0.9700, 1 @ \$0.9625; BIDS UNFILLED: 5 CARS GRADE AA: 1 @ \$0.8525, 4 @ \$0.8500; OFFERS UNCOVERED: 13 CARS GRADE AA: 1 @ \$0.9675, 3 @ \$0.9700, 3 @ \$0.9725, 1 @ \$0.9750, 1 @ \$0.9775, 4 @ \$0.9800

BUTTER MARKETS**NORTHEAST**

The market tone remains unsettled as prices at the CME are now on an upswing. Contacts are still confused by recent price fluctuations in the face of heavy stocks and light to moderate demand. Churning activity in the East is heavy and quite a bit of excess cream is clearing to Midwest churning facilities. Bulk and print butter stocks are more than ample for current sales. Bulk movement is slow and still in the range of 3-5 cents over the CME price/average. Print movement is just fair. Food service orders are steady.

CENTRAL

The butter market tone is firm, although many producers and handlers continue to question the cash trading firmness being recorded at the Chicago Mercantile Exchange. Most producers and handlers indicate that current churning activities are seasonally quite active. Additional cream offerings continue to be made available to local butter producers from out of area sources. Some producers are now less willing to take advantage of these additional cream offerings. Butter stocks are building in most operations. For the most part, buying interest continues to

center around short term or immediate needs. Most buyers feel that prices will weaken, thus they are not purchasing more than they can clear in a very short time. Buyers realize that the spring milk season is just around the corner when stocks are usually readily available and prices are reasonable.

WEST

Bulk butter sales are continuing at good levels inside the region and to buyers in the Midwest. Manufacturing plants are stating that they are in very good shape from an inventory point of view. They are not sure, however, if the butter they are shipping out is going into end products or into storage. Contacts are unsure of what to make of the price movements at the CME. Most are surprised at any strength with current milk and butter production levels. Production remains very heavy with lots of cream having to enter the churn to find a manufacturing outlet. Print butter sales are lackluster at this time. CME weekly warehouse stocks have increased 38.7 million pounds over the last five weeks. They now stand at 47.6 million pounds, 37.6% ahead of 1999 at the same time. Current butter prices range from 5 cents under to flat market based on the CME with various time frames and averages involved.

NASS DAIRY PRODUCT PRICES
 U.S. AVERAGE AND TOTAL POUNDS

| WEEK ENDING | CHEESE | | NDM | BUTTER | DRY WHEY |
|-------------|---------------------|-------------------------|----------------------|--------------------|--------------------|
| | 40# BLOCKS | BARRELS 39% MOISTURE | | | |
| JANUARY 29 | 1.1140 6,632,961 | 1.0989 9,721,942 | 1.0084 12,039,685 | .8799 6,462,188 | .1836 6,238,937 |

Further data and revisions may be found on the internet at: <http://jan.mannlib.cornell.edu/reports/nassr/price/dairy>

CHEESE MARKETS

NORTHEAST

Prices are steady on Swiss; lower on most other types and styles. The market tone is weak. Production levels are moderate to heavy, but in recent weeks winter storms have increased Class I milk demand which tends to ease the volumes of surplus milk moving into cheese plants. Supplies are more than adequate to meet the slow to fair demand. With the NFL/tailgating season past, retail cheese orders typically slow down. Distributors are staying as current as they can and not holding too much inventory despite the fact that CME prices do not seem to have much downside risk at this time. Food service orders are mostly steady.

WHOLESALE SELLING PRICES: DELIVERED,
DOLLARS PER POUND (1000 - 5000 POUNDS MIXED LOTS)

| | | |
|-----------------------------|---|---------------|
| Cheddar 10# Prints | : | 1.1250-1.6150 |
| Cheddar Single Daisies | : | 1.1050-1.5650 |
| Cheddar 40# Block | : | 1.2500-1.4275 |
| Process 5# Loaf | : | 1.3100-1.4625 |
| Process 5# Sliced | : | 1.3300-1.5675 |
| Muenster | : | 1.3075-1.6100 |
| Grade A Swiss Cuts 10 - 14# | : | 2.3500-2.5500 |

MIDWEST

The cheese market is about steady. Current demand is moderate at best. Spot demand for commodity type varieties such as mild cheddar and muenster, is hard pressed to keep up with all of the offerings. Buyers and sellers are aware that milk and cheese production normally increase seasonally heading toward spring and are expecting supplies to increase further. Except for aging programs for varieties such as cheddar, buyers have little incentive to maintain more than minimal inventories. Most cutters and processors are operating on average schedules, about enough to keep busy for 40 hours without the need for overtime. Promotion activity, including on pizzas, is stimulating some additional movement of process and/or natural in some markets.

WISCONSIN WHOLESALE SELLING PRICES: DELIVERED,
DOLLARS PER POUND (1000 - 5000 POUNDS MIXED LOTS)

| | | |
|---|---|---------------|
| Process American 5# Loaf | : | 1.2700-1.5100 |
| Brick And/Or Muenster 5# | : | 1.4500-1.6700 |
| Cheddar 40# Block | : | 1.4600-2.1150 |
| Monterey Jack 10# | : | 1.6300-2.1150 |
| Blue 5# | : | 1.8050-2.0600 |
| Mozzarella 5 - 6# (Low Moisture, Part Skim) | : | 1.5300-2.2150 |
| Grade A Swiss Cuts 6 - 9# | : | 2.1000-2.6850 |

MIDWEST COMMODITY CHEDDAR

Dollars per pound, standard moisture basis (37.8-39.0%),
carlot/trucklot, F.O.B. plants or storage centers.

| | | |
|----------------|---|-------------------------------|
| CHEDDAR STYLES | : | JANUARY 31 - FEBRUARY 4, 2000 |
| BARRELS* | : | \$1.0825 - 1.1050 (NOMINAL) |
| | : | (-\$.0075) (-.0100) |
| 40# BLOCKS | : | \$1.1100 - 1.1425 (NOMINAL) |
| | : | (-.0025) |

() Change from previous week. * If steel, barrel returned.

WEST

Prices continue to soften for Western cheese based on activity at the CME. Contacts believe that overall holiday sales and those related to the Super Bowl weekend were very good in total. They are hopeful that good demand will continue into the end of the winter season. Promotional activity is helping to move additional volumes of process and mozzarella cheese. Stocks of cheese at the producer and buyer ends seem to be growing. Most are commenting that it is at least good that this is occurring when prices are near the bottom. Therefore, if/when prices recover, storage costs should be covered. Swiss movement is and has been excellent.

WHOLESALE SELLING PRICES: DELIVERED, DOLLARS PER POUND
(1000 - 5000 POUNDS MIXED LOTS)

| | | |
|---------------------------|---|---------------|
| Process 5# Loaf | : | 1.2450-1.5050 |
| Cheddar 40# Block | : | 1.2300-1.3700 |
| Cheddar 10# Cuts | : | 1.4100-1.6300 |
| Monterey Jack 10# | : | 1.4200-1.5800 |
| Grade A Swiss Cuts 6 - 9# | : | 2.1500-2.4000 |

FOREIGN

Domestic cheese prices are fractionally lower and most imported styles are unchanged. The market tone is typically slow to fair. Recent reports from the EU show that January to September 1999 cheese production is estimated to total 4,533,000 MT, 1.5% more than the same period last year. They also show that September's output is 2.3% above last September.

WHOLESALE SELLING PRICES: FOB DISTRIBUTORS DOCK
DOLLARS PER POUND (1000 - 5000 POUNDS, MIXED LOTS)

| VARIETY | NEW YORK | |
|--------------------------|-------------------|------------------|
| | IMPORTED | DOMESTIC |
| | : | : |
| Roquefort | : TFEWR | : -0- |
| Blue | : 2.6400-3.1400 | : 1.4550-2.9500* |
| Gorgonzola | : 3.2400-5.9400 | : 2.0100-2.4900* |
| Parmesan (Italy) | : TFEWR | : 2.8700-3.3750* |
| Romano (Italy) | : 2.1000-2.5400 | : -0- |
| Provolone (Italy) | : 3.4400-5.5000 | : 1.4700-1.7500* |
| Romano (Cows Milk) | : -0- | : 2.6325-4.8200* |
| Sardo Romano (Argentina) | : 2.6500-3.2900 | : -0- |
| Reggianito (Argentina) | : 2.6500-3.2900 | : -0- |
| Jarlsberg-(Brand) | : 2.7400-3.3100 | : -0- |
| Swiss Cuts Switzerland | : -0- | : 2.3500-2.5500 |
| Swiss Cuts Finnish | : 2.5900-2.8500 | : -0- |
| Swiss Cuts Austrian | : 2.2500-2.7500 | : -0- |
| Edam | : | : |
| 2 Pound | : TFEWR | : -0- |
| 4 Pound | : 2.1900-3.0900 | : -0- |
| Gouda, Large | : 2.3900-3.1500 | : -0- |
| Gouda, Baby (\$/Dozen) | : | : |
| 10 Ounce | : 27.8000-31.7000 | : -0- |

* = Price change.

WEEKLY COLD STORAGE HOLDINGS - SELECTED STORAGE CENTERS
IN THOUSAND POUNDS - INCLUDING GOVERNMENT STOCKS

BUTTER : CHEESE

| | | |
|----------|--------|-----------|
| | : | : |
| 01/31/00 | 14,473 | : 113,416 |
| 01/01/00 | 6,419 | : 111,383 |
| CHANGE | 8,054 | : 2,033 |
| % CHANGE | 125 | : 2 |

FLUID MILK AND CREAM

E A S T

Another ice and snow storm moved across much of the Southeast and up the East Coast over the weekend. Icy roads, heavy snowfall, and drifts shut down highways and stranded both over the road and farm-pickup trucks from Arkansas to the Carolinas. Unconfirmed reports have milk being dumped at the farms because trucks couldn't get to or away from the farms. The volumes lost, if there were any, are unknown at this time. Class I demand has been very good as bottlers try to keep pace with panic sales all across the region. The heavy pull for Grade A or Class I milk is greatly affecting surplus milk volumes for manufacturing plants. Milk production is really hard to judge, but Florida's output is reported to be higher as cooler weather spreads across the state. Handlers in Florida report a nearly balanced supply situation. Some loads were shipped out, but a few others did have to be imported to fill last minute orders. In the Northeast, milk production is steady to slightly heavier. Bottling demand is fair to good and often a result of storm related panic buying of milk and other food staples. With roads closed for a day or so across much of the region, transportation schedules were severely disrupted. At midweek, things were getting back to more normal levels. The condensed skim market is little changed. Prices are steady for Class II and steady to slightly higher for other manufactured products. Demand is slow to fair as NDM prices are still quite a bit lower than wet solids. The fluid cream market is weak. Offerings are heavy and demand is slow. Moderate to heavy volume are clearing to local and Midwestern churning facilities. However, more butter makers are starting to show price resistance for all the cream that is being offered to them. Ice cream output is steady. Some ice cream producers, like many others in the industry, are confused by the new milk/cream/condensed skim pricing formulas utilized under the reformed milk marketing order program. Cream cheese output is fairly steady.

FLUID CREAM AND CONDENSED SKIM PRICES IN TANKLOT QUANTITIES

SPOT PRICES OF CLASS II CREAM, \$ PER LB BUTTERFAT

| | | |
|--|---|-------------------------------|
| F.O.B. PRODUCING PLANTS: NORTHEAST | - | 1.0800-1.2150 |
| DELIVERED EQUIVALENT ATLANTA | - | 1.0800-1.1970 M 1.0980-1.1340 |
| F.O.B. PRODUCING PLANTS: UPPER MIDWEST | - | 1.1700-1.2285 |

PRICES OF CONDENSED SKIM, \$ PER LB WET SOLIDS

| | |
|---|----------------|
| F.O.B. PRODUCING PLANTS: | |
| NORTHEAST- CLASS II - INCLUDES MONTHLY FORMULA PRICES | - .9900-1.1500 |
| NORTHEAST- CLASS III - SPOT PRICES | - .9000-1.0000 |

M I D W E S T

WISCONSIN SPOT SHIPMENTS:

| SPOT SHIPMENTS: | LOADS |
|-------------------------------|-------|
| JANUARY 27 - FEBRUARY 3, 2000 | 16 |
| PREVIOUS WEEK | 14 |
| COMPARABLE WEEK IN 1999 | 0 |

DESTINATIONS: MISSOURI 14, TENNESSEE 2

Class I interest was steady to occasionally firmer, aided by the usually stronger first of the month sales improvement. A few other bottlers had lighter sales after a big promotion last week. The loads to Tennessee were for the extra demand caused by the winter storm in the area. Milk supplies are seasonally heavy and buyers have little difficulty in finding an extra load or two if needed. Manufacturing milk prices are steady at best, with reported spot prices from straight class/MCP to about 50 cents over. Cream interest from ice cream accounts remains mixed, improved for some but still "off-season" for others. Milk intakes are increasing more noticeably in parts of Minnesota and Wisconsin but intakes seem more unchanged in the more central states in the region. Plants are operating on heavier than normal schedules in order

to utilize as much milk as possible. Dairy cow slaughter under federal inspection in the upper Midwest (Region 5 includes the states of MI, OH, IN, IL, and WI) has been running ahead of the comparable week in the previous year for 19 straight weeks (beginning during the week ending September 11 and including the latest for the week ending January 15). Total U.S. dairy cow slaughter has been ahead of the same week a year ago for 5 consecutive weeks.

WISCONSIN LIVESTOCK AUCTIONS (PER CWT.)

| | JAN 27 - FEB 2 | PREVIOUS YEAR |
|---------------------------|-----------------|-----------------|
| SLAUGHTER COWS | \$ 37.00- 42.75 | \$ 33.00- 39.00 |
| REPLACEMENT HEIFER CALVES | \$280.00-330.00 | \$190.00-245.00 |

SOUTH ST. PAUL TERMINAL AUCTION MARKET (PER CWT.)

| | JAN 27 - FEB 2 | PREVIOUS YEAR |
|----------------|-----------------|-----------------|
| SLAUGHTER COWS | \$ 31.00- 44.00 | \$ 29.00- 42.00 |

W E S T

The January 4a price (butter/powder) in California is \$10.67, down five cents from December 1999 and \$2.72 lower than last year. The January 4b price (cheese) is \$9.58, nine cents lower than last month and \$4.76 lower than last year. The March 2000 Class 1 prices in California range from \$11.61 in the north to \$11.88 in the south. The statewide average Class 1 based on production is \$11.67. The average is eight cents lower than February 2000 and \$8.17 lower than the March 1999. December 1999 pool receipts of milk in California total 2.592 billion pounds, up 11.4% from last year. Cumulative pool output for calendar year 1999 totals 29.78 billion pounds, up 11.3% from 1998. The December blend price is \$11.12, at a fat test of 3.82%, which is \$1.60 lower than November. The percentage of receipts used in Class 1 products is 20.48%. The December quota price is \$12.16 and the base and overbase prices are \$10.46. These prices are \$1.65 lower than last month and \$5.48 lower than December 1998. Milk production remains strong over the vast majority of the Southwest. Milk volumes remain heavy for processing and milk and components continue to be shipped around for processing capacity. Solids and fat content of incoming milk is increasing seasonally. There are growing concerns about handling milk volumes during the upcoming flush and plans are being formulated to address different scenarios. California producers overall did not see much affects from the rainy and wet condition over the past few weeks. Temperatures have been and remain moderate for February. Milk output in Arizona is trending higher. Milk and condensed are being shipped both in and out of state for processing. Milk levels are also slightly higher in New Mexico. Feed needs have most often been locked in for the year at low price levels. Cream pricing is steady, despite higher butter prices at the CME. Buyers are not willing to pay higher prices and negotiating multiples lower. Wet conditions continue in the Pacific Northwest, but milk production remains strong. Few herd health issues are noted. Manufacturing plants continue to operate on heavy schedules. Temperatures in the mid 50's are common. Grass is greening and tulips are coming up. Contacts are wondering if these conditions mean an early spring is to be expected. Most hay needs are covered. Hay offerings are light and increasing in price. Exporters have not been active recently, but they seem to be showing more interest in the upcoming new crop hay. Heifers remain in tight supply. Cow slaughter numbers are beginning to show signs of increasing compared to last year. Some feedlots in Utah and Idaho continue to be on the muddy side from the recent moisture. Colder conditions, however, are firming up the lots. Plants are reporting that SCC from some producers are on the increase. Plants are not overly concerned, but the increases are noticeable. Fat and protein levels of the incoming milk are seasonally strong. Plant operating schedules are heavy.

CENTRAL AND WEST DRY MILK PRODUCTS

All reports, except California manufacturing plants, were released 02/03/00 and represent FOB Central and Western production areas. Prices represent CL/TL quantities in 50 lb., 100 lb., or 25 kg. bags, spray process, dollars per pound.

NONFAT DRY MILK - CENTRAL

Prices are unchanged to lower on a weak market. Regular commitments and movement into the CCC are clearing product the best. Buying interest is very light as prices are not anticipated to change. Buyers prefer to purchase on an as need basis and hold light buyer inventories. Producer stocks are heavy and production is strong. Offerings are plentiful. Off grade product is available for the light interest. High heat is clearing well on light production schedules. West coast product remains competitive yet is more difficult to move with comparable Central region prices.

Includes EXTRA GRADE and GRADE A, low and medium heat

NONFAT DRY MILK: .9900 - 1.0150 MOSTLY: 1.0100 - 1.0150

DRY BUTTERMILK - CENTRAL

Prices are unchanged to lower on a steady to weak market. Most movement is occurring at the lower end of the range. Producers that normally price product at the average are opting to discount in order to clear supplies. Inventories are in balance to heavy and building. Some buyers are picking up extra loads at the lower end of the range while others continue to await further price declines. Traders are reporting very light interest with increased movement anticipated as prices settle. Production is steady to sometimes lower as available dryer time is limited by NDM production. Condensed supplies are readily available and sometimes difficult to clear. Off grade product is plentiful at prices well below the bottom of the range.

BUTTERMILK: .6300 - .7800

DRY WHEY - CENTRAL

Prices are mixed on a mostly steady market. Some producers have product to move while others are running more close in balance. Export movement is generally good allowing some producers to alleviate heavy supplies. Domestic demand is light, best into regular contracts and feed facilities. Lower prices are not generating as much interest as anticipated. Production is steady with most manufacturers operating at capacity levels. Condensed product is reportedly heavy in supply and moving below most contracted price agreements. Off grade product is available for the light demand.

NONHYGROSCOPIC: .1675 - .1850 MOSTLY: .1725 - .1825

ANIMAL FEED WHEY - CENTRAL

Prices are unchanged to lower on a mostly steady market. Milk replacer and roller ground prices continue to adjust to declines in the Extra Grade market. Trading is moderate and offerings are adequate. Delactose prices remain unchanged with most producers awaiting changes in the WPC market before considering any adjustments in delactose. Production is steady to sometimes heavier given ample whey supplies. Off grade delactose remains available for the good interest. The North Central veal market is unsettled with hog markets generally trending higher.

MILK REPLACER: .1300 - .1700
STANDARD: TFEWR
ROLLER GROUND: .1600 - .1850
DELACTOSE (Min. 20% protein): .2600 - .3150

LACTOSE - CENTRAL AND WEST

Prices remain unchanged on a steady market. Heavy interest continues to be reported from Asia and also Canada. Export movement is good on regular commitments with spot movement very light. Most plants are sold out or tight on supplies and are finding it difficult to meet additional interest on regular commitments. Domestic movement is generally good into infant formula, candy, and feed facilities. Production problems at some plants may increase interest in lactose. Some sales to resellers are moving below the average. Off grade product is difficult to find for the good interest. Lower whey prices are not deterring interest in lactose. Higher mesh size product continues to generate good premiums and is in the tightest supply.

Including spot sales and up to 3 month contracts. Mesh size 30 - 100.

EDIBLE: .1800 - .2500 MOSTLY: .1950 - .2050

WHEY PROTEIN CONCENTRATE - CENTRAL AND WEST

Prices are unchanged to higher on a market that is showing some signs of firming. A shortage of supplies in the Midwest is encouraging buyers to purchase product from the West. Inventories on the West coast are now in better balance and prices are moving higher. Interest from feed buyers remains strong due to the lack of high protein imports. Export interest is increasing for use in feed and nutraceuticals. Domestic demand is steady to slightly better into blends and process cheese. Midwest producers are generally sold out with no additional supplies available for spot interest. Condensed product is tight and clearing well into feed channels. Off grade product is available at prices just below the range.

EXTRA GRADE 34% PROTEIN: .4050 - .4650 MOSTLY: .4350 - .4450

NONFAT DRY MILK - WEST

Nonfat dry milk markets are holding mostly steady. Low/medium heat trading levels remain around the support level of \$1.01 with some discounting taking place. The majority of trades, reflected in the mostly range, are trading from \$1.00 to \$1.01. Production levels remain strong to process the high milk volumes in the region. Demand is flat, although some new DEIP orders are developing. The trade continues to use the support program to balance stocks. High heat prices are unchanged. Supplies and demand are in good balance. Some plants don't have much stocks on hand and buyers have to wait when orders are placed. During the week of January 24 - 28, CCC net purchases totaled 10.6 million pounds of nonfortified NDM from Western and Midwestern sources.

Includes EXTRA GRADE and GRADE A

LOW/MEDIUM HEAT: .9850 - 1.0200 MOSTLY: 1.0000 - 1.0100
HIGH HEAT: 1.0200 - 1.0400

DRY BUTTERMILK - WEST

Buttermilk prices remain weak and offering prices continue to be discounted to move product. The market tone is weak. Offerings are heavy and met with an often reluctant demand. Some producers are trying to hold onto prices at the top end of the range, but prices to move product are at the bottom of the range. Buyers are finding buttermilk available from most sources in the region. Producers' stocks are heavy. Condensed buttermilk is being offered at deep discounts to move.

BUTTERMILK: .5700 - .7300 MOSTLY: .6000 - .6300

DRY WHEY - WEST

Western whey prices range from steady to fractionally lower. The market undertone remains weak. Offerings of powder are increasing and demand is steady at best. Buyers continue to take normal account volumes, but there is no incentive to acquire additional volumes with the market in decline. Export deliveries remain slow as the Chinese New Year activities continue to play out. Production levels are above expectations at most manufacturing plants. Contacts are somewhat pessimistic about the next few months as they continue to see heavy milk and cheese production pressuring the whey market.

NONHYGROSCOPIC: .1700 - .2000 MOSTLY: .1800 - .1850

CALIFORNIA MANUFACTURING PLANTS - NONFAT DRY MILK

| WEEK ENDING | PRICE | POUNDS |
|-------------|----------|------------|
| January 28 | \$1.0088 | 7,722,740 |
| January 21 | \$1.0085 | 14,991,919 |

Prices are weighted averages for Extra Grade and Grade A Nonfat Dry Milk, f.o.b. California manufacturing plants. Prices for both periods were influenced by effects of long-term contract sales. Compiled by Dairy Marketing Branch, California Department of Food and Agriculture.

NORTHEAST, SOUTHEAST, AND NATIONAL MILK PRODUCTS

All reports represent carlot/trucklot quantities in 50 lb., 100 lb., or 25 kg. bags, spray process, dollars per pound, unless otherwise specified. Delivered Southeast is delivered equivalent Atlanta.

NONFAT DRY MILK - NORTHEAST AND SOUTHEAST

Prices are mostly steady and the market tone is unchanged. This week, production levels were affected by the winter storm that hit much of the Southeast and East Coast. Class I milk demand was very good and less surplus milk moved to butter/powder plants. Plant stocks are fully adequate. Demand is clearing current output with little accumulation reported. Most producers are trying to move their output to avoid building stocks. Domestic demand seems to be just for immediate or replacement volumes while the DEIP is clearing a good percentage of current production.

Includes EXTRA GRADE AND GRADE A

F.O.B. NORTHEAST:

LOW/MEDIUM HEAT: .9900 - 1.0300 MOSTLY: 1.0000 - 1.0100
HIGH HEAT: 1.0400 - 1.1000 MOSTLY: 1.0400 - 1.0600

DELVD SOUTHEAST:

ALL HEATS: 1.0300 - 1.1200

DRY BUTTERMILK - NORTHEAST AND SOUTHEAST

Prices are often lower and the market tone remains weak. However, the market tone, when compared to the Midwest and West, appears to be a little firmer. Producers are not dropping prices and clearing stocks satisfactorily. However, with Midwestern prices so low, more buyers/traders are turning to that region and delivering to the East at price below most local f.o.b. prices. Production levels are moderate to heavy. Producers' stocks are quite well balanced. Demand is steady.

F.O.B. NORTHEAST: .7400 - .7700
DELVD SOUTHEAST: .6800 - .7700

DRY WHOLE MILK - NATIONAL

Prices are unchanged, but mixed within the range. The market tone is unchanged to a little firmer. This week, a large (1,200 MT) DEIP bid was accepted. This is one of the larger volume DEIP contracts in recent memory. For January, DEIP bid acceptances total 2,590 MT, 26.8% of the total available for the program year. Demand is steady and mostly contractual. Production levels are moderate and geared to meeting orders. Producer stocks are closely balanced with current needs.

F.O.B. PRODUCING PLANT: 1.0700 - 1.2500

DEIP BID ACCEPTANCE SUMMARY

JULY 1, 1999 THROUGH JANUARY 28, 2000
WITH CHANGES FROM PREVIOUS REPORT

| | | | |
|-------------------|----|--------|----------------------|
| NONFAT DRY MILK | -- | 79,606 | MT (175,499,388 LBS) |
| CHANGE | -- | 448 | MT (987,661 LBS) |
| WHOLE MILK POWDER | -- | 5,853 | MT (12,903,523 LBS) |
| CHANGE | -- | 40 | MT (88,184 LBS) |
| CHEESE | -- | 1,356 | MT (2,989,438 LBS) |
| BUTTERFAT | -- | 4,108 | MT (9,056,497 LBS) |
| CHANGE | -- | 345 | MT (760,587 LBS) |

Allocations for the DEIP year beginning July 1, 1999, are: Nonfat dry milk - 76,207 MT; Whole Milk Powder - 2,518 MT; Cheese - 3,190 MT; Butterfat - 25,475 MT. These DEIP allocations are in addition to balances still available from quantities announced on May 13, 1999; 25,177 MT of Nonfat Dry Milk (to be filled in roughly equal quarterly amounts during the GATT-year beginning July 1, 1999), 7,500 MT of dry whole milk, and 1,270 MT of cheese.

DRY WHEY - NORTHEAST AND SOUTHEAST

Prices are mixed and the market tone is unchanged. Suppliers who cleared some low priced product last week are now more comfortable with their inventory and price discounting is less frequent. Spot demand is just fair and lacking any aggressiveness. Buyers appear content to buy as needed, particularly those who have a portion of their needs contracted. In other instances, some buyers who have been "on the sidelines" have come back in for a few loads. There are also reports of users or traders lagging on pick-up schedules. Production levels are moderate to heavy. One plant is down for maintenance and renovations this week. Grade A offerings are well balanced and Extra Grade stocks range from adequate to ample.

| | | |
|-------------------|--------------|---------------|
| F.O.B. NORTHEAST: | EXTRA GRADE | .1725 - .1800 |
| | USPH GRADE A | .1875 - .2000 |
| DELVD SOUTHEAST: | | .1950 - .2200 |

ANIMAL FEED WHEY - NORTHEAST

Prices remain too few to report. The market tone is unchanged. Spot demand remains sluggish for most grades of dry whey. Animal feed makers are taking contracted volumes, but there is little spot interest. Offerings are more than ample although not quite as heavy as a month or two ago.

| | | |
|-------------------|---------------|-------|
| F.O.B. NORTHEAST: | MILK REPLACER | TFEWR |
|-------------------|---------------|-------|

EVAPORATED MILK - NATIONAL

Prices and the market tone are unchanged. Production levels are generally steady, but milk supplies tightened temporarily in some parts of the country over the past weekend. Demand is fair as some retailers start reordering. Plant stocks are getting back to more normal levels.

DOLLARS PER 48 - 12 FLUID OUNCE CANS PER CASE DELIVERED MAJOR U.S. CITIES \$21.00 - 33.00

Excluding promotional and other sales allowances. Included new price announcements.

CASEIN - NATIONAL

Casein markets are firm with prices unchanged to generally higher. Stocks of both acid and rennet are reported to be tight. Oceania sources indicate that their supply situation is not good and in instances are having difficulty filling regular/ongoing commitments. European stocks are not much better, although hopefully with the new milk production season around the corner, the supply situation should improve. Some domestic buyers are reporting that they are not getting their needed supply from regular sources and are now looking to additional sources without much success.

SPOT SALES AND UP TO 3 MONTH CONTRACTS. PRICES ARE FOR EDIBLE NONRESTRICTED AND VARY ACCORDING TO MESH SIZE AND QUALITY.

| | |
|---------|-----------------|
| RENNET: | 1.8000 - 2.1000 |
| ACID: | 1.8500 - 2.1000 |

COFFEE, SUGAR & COCOA EXCHANGE (A subsidiary of the NEW YORK BOARD OF TRADE) AND CHICAGO MERCANTILE EXCHANGE FUTURES

Selected settling prices, (open interest), and volume 1/

| Month | 01/19 | 01/20 | 01/21 | 01/24 | 01/25 | 01/26 | 01/27 | 01/28 | 01/31 | 02/01 |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| CSCE/NYBT - BFP -- Dollars per cwt. | | | | | | | | | | |
| JAN 00 | 10.15 (69) 0 | 10.15 (69) 0 | 10.15 (69) 0 | 10.15 (69) 0 | 10.15 (69) 0 | 10.15 (69) 0 | 10.15 (69) 0 | 10.15 (69) 0 | 10.15 (69) 0 | 10.15 (69) 0 |
| FEB 00 | 10.15 (49) 0 | 10.15 (49) 0 | 10.05 (49) 0 | 10.05 (49) 0 | 10.05 (47) 2 | 10.05 (47) 0 | 10.03 (47) 0 | 10.03 (47) 1 | 10.03 (47) 0 | 10.10 (47) 0 |
| MAR 00 | 10.53 (47) 1 | 10.53 (47) 0 | 10.45 (50) 3 | 10.45 (50) 0 | 10.45 (50) 2 | 10.45 (50) 0 | 10.33 (50) 0 | 10.30 (50) 0 | 10.30 (50) 0 | 10.30 (50) 0 |
| APR 00 | 10.70 (45) 0 | 10.70 (45) 0 | 10.60 (46) 1 | 10.60 (47) 1 | 10.50 (48) 1 | 10.45 (49) 1 | 10.40 (49) 0 | 10.40 (49) 0 | 10.40 (49) 0 | 10.40 (49) 0 |
| MAY 00 | 11.18 (38) 0 | 11.18 (38) 0 | 11.15 (38) 0 | 11.15 (39) 1 | 11.05 (39) 1 | 11.05 (39) 0 | 11.03 (39) 0 | 11.03 (39) 0 | 11.00 (39) 0 | 11.00 (39) 0 |
| JUN 00 | 11.55 (36) 0 | 11.55 (36) 0 | 11.65 (38) 2 | 11.65 (39) 1 | 11.70 (39) 0 | 11.68 (40) 1 | 11.55 (40) 0 | 11.55 (40) 0 | 11.55 (40) 0 | 11.55 (40) 0 |
| JUL 00 | 12.43 (32) 0 | 12.43 (32) 0 | 12.45 (32) 0 | 12.43 (33) 1 | 12.45 (34) 1 | 12.38 (34) 0 | 12.40 (35) 1 | 12.35 (35) 0 | 12.35 (35) 0 | 12.35 (35) 0 |
| AUG 00 | 12.68 (18) 0 | 12.68 (18) 0 | 12.70 (20) 2 | 12.70 (20) 0 | 12.70 (21) 1 | 12.65 (22) 1 | 12.65 (22) 0 | 12.65 (22) 0 | 12.65 (22) 0 | 12.65 (22) 0 |
| SEP 00 | 12.73 (26) 0 | 12.73 (26) 0 | 12.85 (27) 1 | 12.76 (28) 1 | 12.85 (28) 0 | 12.85 (28) 0 | 12.85 (28) 0 | 12.85 (28) 0 | 12.85 (28) 0 | 12.85 (28) 0 |
| OCT 00 | 12.70 (11) 0 | 12.70 (11) 0 | 12.70 (13) 2 | 12.73 (13) 0 | 12.75 (11) 2 | 12.73 (11) 0 | 12.73 (11) 0 | 12.73 (11) 0 | 12.73 (11) 0 | 12.73 (11) 0 |
| NOV 00 | 12.45 (4) 0 | 12.45 (4) 0 | 12.45 (4) 0 | 12.37 (4) 0 | 12.45 (4) 0 | 12.40 (5) 1 | 12.28 (5) 0 | 12.28 (5) 0 | 12.30 (5) 0 | 12.30 (5) 0 |
| DEC 00 | 12.30 (0) 0 | 12.30 (0) 0 | 12.30 (0) 0 | 12.30 (0) 0 | 12.20 (0) 0 | 12.10 (0) 0 | 12.05 (0) 0 | 12.00 (0) 0 | 12.00 (0) 0 | 12.00 (0) 0 |

CME - BUTTER -- Cents per pound

| | | | | | | | | | | |
|--------|------------------|-----------------|------------------|-----------------|------------------|-----------------|-----------------|------------------|-----------------|----------------|
| FEB 00 | 98..00 (184) 3 | 98.00 (187) 3 | 96.00 (193) 7 | 95.00 (194) 18 | 94.75 (198) 24 | 94.35 (202) 6 | 94.25 (215) 16 | 94.25 (215) 0 | 96.00 (217) 6 | 98.50 (217) 22 |
| MAR 00 | 100.00 (166) 10 | 100.00 (166) 0 | 98.50 (176) 16 | 98.00 (176) 0 | 96.00 (178) 4 | 96.00 (177) 1 | 96.50 (176) 2 | 96.00 (174) 21 | 97.525 (178) 12 | 99.50 (192) 20 |
| MAY 00 | 103.525 (113) 9 | 103.525 (113) 0 | 102.50 (117) 12 | 101.00 (113) 7 | 100.00 (116) 3 | 100.00 (116) 2 | 100.00 (116) 0 | 100.025 (117) 46 | 101.025 (120) 3 | 102.25 (120) 0 |
| JUL 00 | 107.275 (263) 24 | 107.00 (273) 13 | 105.025 (290) 24 | 104.50 (302) 13 | 103.75 (308) 8 | 103.75 (308) 0 | 103.75 (310) 2 | 103.525 (323) 57 | 105.00 (324) 5 | 106.00 (324) 0 |
| SEP 00 | 111.00 (262) 31 | 110.50 (275) 20 | 108.525 (292) 23 | 107.50 (319) 27 | 107.025 (335) 29 | 107.025 (341) 9 | 107.00 (349) 13 | 106.75 (379) 41 | 109.50 (382) 5 | 110.50 (383) 2 |
| OCT 00 | 112.50 (125) 23 | 112.00 (133) 14 | 110.975 (141) 8 | 109.00 (146) 10 | 108.50 (155) 11 | 108.50 (160) 5 | 108.50 (165) 5 | 107.525 (178) 17 | 110.50 (180) 5 | 111.25 (182) 2 |

CME - BFP -- Dollars per cwt.

| | | | | | | | | | | |
|--------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|---------------|-----------------|
| JAN 00 | 10.10 (725) 0 | 10.10 (721) 2 | 10.07 (721) 0 | 10.15 (721) 1 | 10.15 (721) 0 | 10.07 (722) 3 | 10.07 (721) 0 | 10.10 (721) 2 | 10.10 (721) 0 | 10.07 (729) 2 |
| FEB 00 | 10.16 (712) 0 | 10.10 (716) 4 | 10.05 (716) 25 | 10.05 (717) 1 | 10.00 (728) 24 | 9.99 (728) 10 | 9.97 (727) 0 | 9.98 (727) 19 | 9.98 (727) 7 | 10.06 (797) 94 |
| MAR 00 | 10.55 (645) 9 | 10.50 (645) 1 | 10.42 (651) 31 | 10.40 (651) 1 | 10.40 (651) 0 | 10.35 (650) 4 | 10.28 (649) 7 | 10.30 (650) 6 | 10.27 (651) 2 | 10.27 (651) 0 |
| APR 00 | 10.80 (482) 2 | 10.75 (481) 1 | 10.60 (488) 14 | 10.60 (488) 0 | 10.53 (488) 2 | 10.50 (492) 8 | 10.51 (502) 13 | 10.50 (503) 1 | 10.48 (506) 6 | 10.52 (506) 2 |
| MAY 00 | 11.09 (445) 4 | 11.09 (445) 0 | 11.10 (445) 6 | 11.10 (445) 13 | 11.05 (452) 15 | 11.01 (453) 9 | 11.00 (455) 6 | 11.00 (457) 2 | 10.96 (458) 2 | 10.96 (458) 0 |
| JUN 00 | 11.60 (400) 5 | 11.61 (400) 0 | 11.65 (400) 3 | 11.64 (415) 21 | 11.65 (424) 10 | 11.60 (429) 6 | 11.60 (437) 10 | 11.56 (442) 8 | 11.56 (447) 6 | 11.56 (447) 0 |
| JUL 00 | 12.40 (501) 28 | 12.41 (508) 8 | 12.45 (509) 2 | 12.45 (521) 18 | 12.45 (540) 25 | 12.45 (542) 10 | 12.43 (556) 20 | 12.43 (558) 4 | 12.43 (560) 5 | 12.43 (566) 7 |
| AUG 00 | 12.71 (438) 23 | 12.73 (440) 2 | 12.75 (441) 3 | 12.75 (441) 2 | 12.75 (441) 4 | 12.75 (445) 5 | 12.75 (458) 22 | 12.75 (460) 3 | 12.75 (464) 5 | 12.73 (536) 130 |
| SEP 00 | 12.81 (402) 18 | 12.83 (404) 4 | 12.85 (405) 2 | 12.85 (407) 2 | 12.85 (411) 4 | 12.85 (417) 6 | 12.85 (423) 11 | 12.85 (426) 6 | 12.85 (429) 5 | 12.85 (432) 5 |
| OCT 00 | 12.75 (313) 26 | 12.75 (324) 21 | 12.80 (325) 2 | 12.80 (326) 3 | 12.80 (332) 6 | 12.80 (334) 5 | 12.80 (343) 13 | 12.80 (352) 11 | 12.82 (354) 3 | 12.82 (354) 0 |
| NOV 00 | 12.43 (157) 13 | 12.45 (159) 3 | 12.45 (159) 1 | 12.45 (162) 5 | 12.45 (165) 3 | 12.40 (169) 7 | 12.35 (173) 6 | 12.33 (179) 6 | 12.31 (181) 2 | 12.31 (183) 2 |
| DEC 00 | 12.22 (74) 20 | 12.20 (76) 3 | 12.15 (78) 4 | 12.15 (81) 6 | 12.15 (87) 7 | 12.06 (93) 7 | 12.05 (97) 11 | 12.03 (106) 9 | 12.05 (108) 2 | 12.03 (111) 3 |

1/ At the CSCE/NYBT Open interest for BFP -- 100,000 pounds per contract. At the CME Open interest for BFP -- 200,000 pounds per contract.

For more detailed information, you may call our automated voice system at 608-224-5088 or the CSCE's Soft Fax at 212-742-6111.

NOTE: The CME started futures trading for dry whey and nonfat dry milk (NDM) on November 16, 1998. Up to this point, there have been no settling prices recorded for either product.

INTERNATIONAL DAIRY MARKET NEWS

Information gathered January 24 - February 4, 2000

Prices are U.S. Dollars per MT, F.O.B. port. Information gathered for this report is from trades, offers to sell, and secondary data. This bi-weekly report may not always contain the same products and/or regions. Future reports may be included or withdrawn depending on availability of information. MT = metric ton = 2,204.6 pounds.

WESTERN AND EASTERN EUROPE

OVERVIEW: WESTERN EUROPE: A firm U.S. dollar, the Euro dipping under parity, and a third subsidy adjustment since October, are three factors influencing European dairy markets and prices. The firm dollar and another subsidy adjustment are giving strength to European prices, although lack of available stocks is more of a factor at this time. Milk production is seasonally low, but is starting to build in some areas. Producers in all regions of Europe are monitoring their milk marketings as the milk quota year-end nears. With eight weeks to go before the end of the quota year, milk producers and handlers have varying opinions as to how the year will finish. Some are aware that they are running ahead of last year, but are not overly concerned about adjustments as March 31 nears. Others feel comfortable with production projections and are welcoming the seasonal increases with minimal concern about surpassing quota levels. Stocks of manufactured dairy products are quite limited in most European countries. Outside of butter, European dairy products are virtually not available. Skim milk powder stocks from intervention continue to enter the animal feed market. Some European traders continue to scramble to locate sufficient volumes of product for timely shipments. Product shortages are due to sales that were negotiate during the third and fourth quarter of 1999 and now are due for delivery.

BUTTER/BUTTEROIL: European butter markets are steady to weak. Prices are generally lower. Butter stocks are reported to be available for spot buyer interest. Most current sales are centering around nearby needs. Most sales are for domestic use with minimal international sales occurring.

| | |
|----------------|---------------|
| 82% BUTTERFAT: | 1,275 - 1,450 |
| 99% BUTTERFAT: | 1,550 - 1,750 |

SKIM MILK POWDER (SMP): Skim milk powder markets are steady to firm with prices unchanged to higher. Many traders question the firmer prices because there is virtually no powder available for sale. Most skim milk powder trading activity is within the animal feed market and this demand is being met with intervention stocks. Most traders are awaiting the beginning of the new milk production season before they can anticipate much trading activity to resume.

| | |
|------------------|---------------|
| 1.25% BUTTERFAT: | 1,470 - 1,550 |
|------------------|---------------|

WHOLE MILK POWDER (WMP): European whole milk powder markets are generally steady. Prices are basically unchanged even though the subsidy was adjusted for the third time since October. Traders indicate that adjusting prices will have little impact on sales due to limited stocks. The most market activity at this time is shipments of previously committed powder. In instances, traders are having difficulty in sourcing sufficient volumes to maintain timely shipments.

| | |
|----------------|---------------|
| 26% BUTTERFAT: | 1,550 - 1,700 |
|----------------|---------------|

SWEET WHEY POWDER: Whey markets in Europe are steady to generally weaker. For the most part, prices are lower. Stocks of whey powder are reported to be available for potential buyer interest. Until recently, traders indicated that European prices were higher than customers were willing to pay, thus with lower asking prices, sales might resume.

| | |
|-----------------|-----------|
| NONHYGROSCOPIC: | 490 - 575 |
|-----------------|-----------|

OVERVIEW: EASTERN EUROPE: Conditions in Eastern Europe are much the same as they have been in past weeks. Milk production is seasonally low, but starting to turn around somewhat and product availability is short. Lower than usual milk production during the past season encouraged milk volumes to be more directed towards filling fresh product needs with not as much available for dry product production. Due to this trend, dry product inventories did not build as desired, thus limiting availability during the current winter months. New international sales are slow out of Eastern Europe, but traders hope that the upcoming milk production season will allow for them to once again resume international trading activity.

OCEANIA

OVERVIEW: Milk production in New Zealand continues to be reported as strong. For the first 7 months, through December, milk output is running 10.3% ahead of last year and 5.5% ahead of two years ago. New Zealand's current strong growth, in comparison to last season, is substantial, but more in line with Australia's current growth when looking at two years ago. Last season's dry weather was the major factor limiting milk output, but this year, ample volumes of moisture have returned and thus, strong milk output. In Australia, milk output for the first half of the production season is reported to be 6.4% heavier than the previous season with December's production running 5.8% ahead of last December. The recent subsidy adjustment in Europe, the third in about as many months, is causing prices of some Oceania manufactured dairy products to firm. Although some asking prices are higher, reports are sketchy that sales are occurring at the higher levels. Availability of dairy products from the region varies. For the most part, stocks are reported to be limited for spot sales, but in balance for regular/ongoing buyer interest. International sales activity remains slow. Oceania traders indicate that most new buyers are aware of the supply situation in the Oceania region, thus inquiries are slow to come their way.

BUTTER: Oceania butter markets are generally steady at unchanged prices. Stocks of butter are reported to be in good balance with additional volumes available for spot sale. Although butter is available for additional buyer needs, stocks are not heavy. At this time, international butter demand is not aggressive. European stocks, along with U.S. availability, are giving potential buyers a number of possible sources should demand improve.

| | |
|----------------|---------------|
| 82% BUTTERFAT: | 1,200 - 1,250 |
|----------------|---------------|

CHEDDAR CHEESE: Oceania cheese markets are generally steady at unchanged prices. Stocks are reported to be in balance for regular/ongoing needs. Cheese sales, for the most part, have maintained a steady clearance of current production, thus stocks are not heavy. Strong milk production in both New Zealand and Australia during the current season is providing fully sufficient volumes of milk to keep cheese supplies in balance with demand.

| | |
|-----------------------|---------------|
| 39% MAXIMUM MOISTURE: | 1,700 - 1,750 |
|-----------------------|---------------|

SKIM MILK POWDER (SMP): Oceania skim milk powder markets are steady to firm. As in the whole milk powder markets, the recent European subsidy adjustment on both skim and whole milk powder is giving firmness to Oceania prices. Although some asking prices are higher, limited availability is probably more of a factor than higher prices. Overall sales activity continues to center around regular customer needs with minimal powder available for spot buyer needs.

| | |
|------------------|---------------|
| 1.25% BUTTERFAT: | 1,550 - 1,600 |
|------------------|---------------|

WHOLE MILK POWDER (WMP): Whole milk powder markets and prices are steady to firm. The recent subsidy adjustment in Europe is causing to slightly firmer asking prices for Oceania whole milk powder. Although some asking prices are higher, reports are still unclear if sales are occurring at these levels. For the most part though, limited stocks are probably more of a factor in slow sales than higher prices.

| | |
|----------------|---------------|
| 26% BUTTERFAT: | 1,550 - 1,650 |
|----------------|---------------|

Exchange rates for selected foreign currencies: January 31, 2000

| | |
|----------------------|--------------------------|
| .4404 Dutch Guilder | .4962 German Mark |
| .1479 French Franc | .4960 New Zealand Dollar |
| .1043 Mexican Peso | .6369 Australian Dollar |
| 1.6155 British Pound | .0093 Japanese Yen |
| .2376 Polish Zloty | .9705 Euro |

To compare the value of 1 US Dollar to Mexican Pesos: $(1/.1043) = 9.6154$. That is 1 US Dollar equals 9.6154 Mexican Pesos.

Source: "Wall Street Journal"

MONTHLY SUMMARY AND AVERAGES FOR JANUARY 2000 1/ - (UNLESS OTHERWISE NOTED, PRICES ARE DOLLARS PER POUND, CL/TL)

| COMMODITY | REPORT NUMBER 1 | REPORT NUMBER 2 | REPORT NUMBER 3 | REPORT NUMBER 4 | REPORT NUMBER 5 | 2000 | 1999 |
|---|------------------|------------------|------------------|------------------|------------------|----------|----------|
| | | | | | | Average | Average |
| | JAN 03 - 07 | JAN 10 - 14 | JAN 17 - 21 | JAN 24 - 28 | JAN 31 | or Total | or Total |
| CHEESE | | | | | | | |
| MIDWEST COMMODITY CHEDDAR | | | | | | | |
| -- Cheddar Barrel s | 1.1575 - 1.1850 | 1.1025 - 1.1600 | 1.0925 - 1.1225 | 1.0900 - 1.1150 | 1.0825 - 1.1050 | 1.1274 | 1.5516 |
| -- Cheddar 40# Blocks | 1.1675 - 1.2000 | 1.0800 - 1.2050 | 1.1150 - 1.1450 | 1.1100 - 1.1450 | 1.1100 - 1.1425 | 1.1458 | 1.6235 |
| WISCONSIN (WSP, Delivered, LTL) | | | | | | | |
| -- Process American 5# Loaf | 1.3375 - 1.6100 | 1.3300 - 1.6100 | 1.2825 - 1.5100 | 1.2800 - 1.5100 | 1.2700 - 1.5100 | 1.4334 | 1.9482 |
| -- Brick And/Or Muenster 5# | 1.5000 - 1.7275 | 1.5000 - 1.7350 | 1.4500 - 1.6750 | 1.4500 - 1.6750 | 1.4500 - 1.6700 | 1.5889 | 2.1321 |
| -- Cheddar 40# Block | 1.5200 - 2.1150 | 1.5200 - 2.1150 | 1.4600 - 2.1150 | 1.4600 - 2.1150 | 1.4600 - 2.1150 | 1.8025 | 2.0244 |
| -- Monterey Jack 10# | 1.6800 - 2.1150 | 1.6800 - 2.1150 | 1.6300 - 2.1150 | 1.6300 - 2.1150 | 1.6300 - 2.1150 | 1.8850 | 2.1666 |
| -- Blue 5# | 1.8625 - 2.1500 | 1.8700 - 2.1500 | 1.8100 - 2.0600 | 1.8100 - 2.0600 | 1.8050 - 2.0600 | 1.9714 | 2.4635 |
| -- Mozzarella 5 - 6# | 1.5700 - 2.2150 | 1.5700 - 2.2150 | 1.5300 - 2.2150 | 1.5300 - 2.2150 | 1.5300 - 2.2150 | 1.8825 | 2.1039 |
| -- Grade A Swiss Cuts 6 - 9# | 2.2000 - 2.6850 | 2.2000 - 2.6850 | 2.2000 - 2.6850 | 2.2000 - 2.6850 | 2.1000 - 2.6850 | 2.4400 | 2.6059 |
| NORTHEAST (WSP, Delivered, LTL) | | | | | | | |
| -- Cheddar 10# Prints | 1.1825 - 1.6725 | 1.1900 - 1.6800 | 1.1300 - 1.6200 | 1.1300 - 1.6200 | 1.1250 - 1.6150 | 1.4029 | 1.8859 |
| -- Cheddar Single Daisies | 1.1625 - 1.6225 | 1.1700 - 1.6300 | 1.1100 - 1.5700 | 1.1100 - 1.5700 | 1.1050 - 1.5650 | 1.3679 | 1.8721 |
| -- Cheddar 40# Block | 1.3075 - 1.4850 | 1.3150 - 1.4925 | 1.2550 - 1.4325 | 1.2550 - 1.4325 | 1.2500 - 1.4275 | 1.3716 | 1.8568 |
| -- Process 5# Loaf | 1.3650 - 1.5175 | 1.3700 - 1.5225 | 1.3225 - 1.4750 | 1.3200 - 1.4725 | 1.3100 - 1.4625 | 1.4200 | 1.8257 |
| -- Process 5# Sliced | 1.3850 - 1.6225 | 1.3900 - 1.6275 | 1.3425 - 1.5800 | 1.3400 - 1.5775 | 1.3300 - 1.5675 | 1.4825 | 1.8741 |
| -- Muenster | 1.3650 - 1.6675 | 1.3725 - 1.6750 | 1.3125 - 1.6150 | 1.3125 - 1.6150 | 1.3075 - 1.6100 | 1.4916 | 1.9686 |
| -- Grade A Swiss Cuts 10 - 14# | 2.3500 - 2.5500 | 2.3500 - 2.5500 | 2.3500 - 2.5500 | 2.3500 - 2.5500 | 2.3500 - 2.5500 | 2.4500 | 2.4500 |
| WEST COAST (WSP, Delivered, LTL) | | | | | | | |
| -- Process 5# Loaf | 1.3125 - 1.5725 | 1.3050 - 1.5650 | 1.2575 - 1.5175 | 1.2575 - 1.5175 | 1.2450 - 1.5050 | 1.4125 | 1.8366 |
| -- Cheddar 40# Block | 1.2875 - 1.4275 | 1.2950 - 1.4350 | 1.2350 - 1.3750 | 1.2350 - 1.3750 | 1.2300 - 1.3700 | 1.3329 | 1.8272 |
| -- Cheddar 10# Cuts | 1.4675 - 1.6875 | 1.4750 - 1.6950 | 1.4150 - 1.6350 | 1.4150 - 1.6350 | 1.4100 - 1.6300 | 1.5529 | 2.0522 |
| -- Monterey Jack 10# | 1.4775 - 1.6375 | 1.4850 - 1.6450 | 1.4250 - 1.5850 | 1.4250 - 1.5850 | 1.4200 - 1.5800 | 1.5329 | 2.0441 |
| -- Grade A Swiss Cuts 6 - 9# | 2.2500 - 2.4200 | 2.2500 - 2.4200 | 2.2500 - 2.4200 | 2.2500 - 2.4200 | 2.1500 - 2.4000 | 2.3320 | 2.4721 |
| FLUID AND DRY PRODUCTS | | | | | | | |
| SPOT PRICES OF CLASS II CREAM (\$ per lb. butterfat) | | | | | | | |
| -- Northeast - f.o.b | 1.0500 - 1.1638 | 1.0675 - 1.1813 | 1.1428 - 1.2552 | 1.0996 - 1.2370 | 1.0800 - 1.2150 | 1.1471 | 1.7126 |
| -- Atlanta - divd. equiv. | 1.0500 - 1.1550 | 1.0675 - 1.1550 | 1.1428 - 1.2177 | 1.0996 - 1.2095 | 1.0800 - 1.1970 | 1.1351 | 1.7581 |
| -- Upper Midwest - f.o.b | 1.1463 - 1.1813 | 1.1025 - 1.1638 | 1.1802 - 1.2458 | 1.1729 - 1.2095 | 1.1700 - 1.2285 | 1.1746 | 1.7829 |
| PRICES OF CLASS II CONDENSED SKIM (\$ per lb. wet solids) | | | | | | | |
| -- Northeast - f.o.b | 0.9900 - 1.1500 | 0.9900 - 1.1500 | 0.9900 - 1.1500 | 0.9900 - 1.1500 | 0.9900 - 1.1500 | 1.0700 | 1.3650 |
| SPOT PRICES OF CLASS III CONDENSED SKIM (\$ per lb. wet solids) | | | | | | | |
| -- Northeast - f.o.b | 0.9000 - 0.9500 | 0.9000 - 0.9500 | 0.9000 - 0.9500 | 0.9000 - 0.9500 | 0.9000 - 1.0000 | 0.9263 | N.A. |
| WISCONSIN FLUID MILK SHIPMENTS | | | | | | | |
| -- Loads Shipped from Wisconsin Shipping Points | 14 | 14 | 14 | 14 | 16 | 72 | 46 |
| NATIONAL EVAPORATED MILK (\$ per Case) | | | | | | | |
| (Case - 48 - 12 fluid oz cans) | | | | | | | |
| -- Delivered Major U.S. Cities | 24.6800 -33.0000 | 24.6800 -33.0000 | 21.0000 -33.0000 | 21.0000 -33.0000 | 21.0000 -33.0000 | 27.9200 | 28.3100 |

MONTHLY SUMMARY AND AVERAGES FOR JANUARY 2000 1/ - (UNLESS OTHERWISE NOTED, PRICES ARE DOLLARS PER POUND, CL/TL)

| COMMODITY | REPORT NUMBER 1 | REPORT NUMBER 2 | REPORT NUMBER 3 | REPORT NUMBER 4 | REPORT NUMBER 5 | 2000 | 1999 |
|-------------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|------------------|------------------|
| | JAN 03 - 07 | JAN 10 - 14 | JAN 17 - 21 | JAN 24 - 28 | JAN 31 | Average or Total | Average or Total |
| DRY PRODUCTS | | | | | | | |
| NONFAT DRY MILK | | | | | | | |
| -- Central (f.o.b.) | | | | | | | |
| -- Low/Medium Heat | :: 1.0000 - 1.0250 | :: 1.0000 - 1.0200 | :: 1.0000 - 1.0200 | :: 0.9900 - 1.0200 | :: 0.9900 - 1.0150 | :: 1.0090 | :: 1.0893 |
| -- Mostly | :: 1.0200 - 1.0250 | :: 1.0100 - 1.0200 | :: 1.0100 - 1.0200 | :: 1.0100 - 1.0200 | :: 1.0100 - 1.0150 | :: 1.0168 | :: 1.0821 |
| -- West (f.o.b.) | | | | | | | |
| -- Low/Medium Heat | :: 0.9900 - 1.0200 | :: 0.9900 - 1.0200 | :: 0.9850 - 1.0200 | :: 0.9850 - 1.0200 | :: 0.9850 - 1.0200 | :: 1.0038 | :: 1.0528 |
| -- Mostly | :: 1.0000 - 1.0100 | :: 1.0000 - 1.0100 | :: 1.0000 - 1.0100 | :: 1.0000 - 1.0100 | :: 1.0000 - 1.0100 | :: 1.0050 | :: 1.0466 |
| -- High Heat | :: 1.0200 - 1.0400 | :: 1.0200 - 1.0400 | :: 1.0200 - 1.0400 | :: 1.0200 - 1.0400 | :: 1.0200 - 1.0400 | :: 1.0300 | :: 1.1366 |
| -- Northeast (f.o.b.) | | | | | | | |
| -- Low/Medium Heat | :: 1.0000 - 1.0500 | :: 0.9900 - 1.0500 | :: 0.9900 - 1.0300 | :: 0.9900 - 1.0300 | :: 0.9900 - 1.0300 | :: 1.0163 | :: 1.1108 |
| -- Mostly | :: 1.0100 - 1.0200 | :: 1.0000 - 1.0200 | :: 1.0000 - 1.0200 | :: 1.0000 - 1.0100 | :: 1.0000 - 1.0100 | :: 1.0098 | :: 1.1142 |
| -- High Heat | :: 1.0400 - 1.1000 | :: 1.0400 - 1.1000 | :: 1.0400 - 1.1000 | :: 1.0400 - 1.1000 | :: 1.0400 - 1.1000 | :: 1.0700 | :: 1.1566 |
| -- Mostly | :: 1.0400 - 1.0600 | :: 1.0400 - 1.0600 | :: 1.0400 - 1.0600 | :: 1.0400 - 1.0600 | :: 1.0400 - 1.0600 | :: 1.0500 | :: 1.1561 |
| -- Southeast (Del vd) | | | | | | | |
| -- Extra & Grade A | :: 1.0400 - 1.1200 | :: 1.0300 - 1.1200 | :: 1.0300 - 1.1200 | :: 1.0300 - 1.1200 | :: 1.0300 - 1.1200 | :: 1.0763 | :: 1.1393 |
| WHEY POWDER (Nonhygroscopic) | | | | | | | |
| -- Central (f.o.b.) | :: 0.1800 - 0.1950 | :: 0.1700 - 0.1900 | :: 0.1700 - 0.1900 | :: 0.1650 - 0.1900 | :: 0.1675 - 0.1850 | :: 0.1811 | :: 0.2026 |
| -- Mostly | :: 0.1800 - 0.1850 | :: 0.1750 - 0.1850 | :: 0.1750 - 0.1850 | :: 0.1725 - 0.1825 | :: 0.1725 - 0.1825 | :: 0.1799 | :: 0.2025 |
| -- West (f.o.b.) | :: 0.1700 - 0.2200 | :: 0.1750 - 0.2150 | :: 0.1700 - 0.2050 | :: 0.1700 - 0.2050 | :: 0.1700 - 0.2000 | :: 0.1911 | :: 0.2216 |
| -- Mostly | :: 0.1925 - 0.2000 | :: 0.1900 - 0.1975 | :: 0.1850 - 0.1950 | :: 0.1800 - 0.1900 | :: 0.1800 - 0.1850 | :: 0.1909 | :: 0.2201 |
| -- Northeast Extra Grade (f.o.b.) | :: 0.1825 - 0.1875 | :: 0.1775 - 0.1875 | :: 0.1675 - 0.1850 | :: 0.1650 - 0.1825 | :: 0.1725 - 0.1800 | :: 0.1794 | :: 0.2064 |
| -- Northeast Usph Grade A (f.o.b.) | :: 0.1925 - 0.2050 | :: 0.1925 - 0.2000 | :: 0.1925 - 0.2000 | :: 0.1900 - 0.2000 | :: 0.1875 - 0.2000 | :: 0.1964 | :: 0.2240 |
| -- Southeast Extra Grade (Del vd) | :: 0.1950 - 0.2225 | :: 0.1950 - 0.2225 | :: 0.1950 - 0.2225 | :: 0.1950 - 0.2225 | :: 0.1950 - 0.2200 | :: 0.2087 | :: 0.2320 |
| WHEY PROTEIN CONCENTRATE | | | | | | | |
| -- Central And West (f.o.b.) | | | | | | | |
| -- Extra Grade 34% Protein | :: 0.4050 - 0.4700 | :: 0.4050 - 0.4700 | :: 0.4050 - 0.4800 | :: 0.4050 - 0.4600 | :: 0.4050 - 0.4650 | :: 0.4371 | :: 0.5189 |
| -- Mostly | :: 0.4250 - 0.4450 | :: 0.4250 - 0.4450 | :: 0.4250 - 0.4450 | :: 0.4250 - 0.4450 | :: 0.4350 - 0.4450 | :: 0.4353 | :: 0.5195 |
| ANIMAL FEED - WHEY | | | | | | | |
| -- Central (f.o.b.) | | | | | | | |
| -- Milk Replacer | :: 0.1500 - 0.1775 | :: 0.1500 - 0.1825 | :: 0.1450 - 0.1750 | :: 0.1350 - 0.1700 | :: 0.1300 - 0.1700 | :: 0.1601 | :: 0.1705 |
| -- Standard | :: TFEWR | :: TFEWR | :: TFEWR | :: TFEWR | :: TFEWR | :: TFEWR | :: TFEWR |
| -- Roller Ground | :: 0.1675 - 0.1900 | :: 0.1675 - 0.1900 | :: 0.1675 - 0.1875 | :: 0.1600 - 0.1875 | :: 0.1600 - 0.1850 | :: 0.1769 | :: 0.2314 |
| -- Dextrose | :: 0.2600 - 0.3150 | :: 0.2600 - 0.3150 | :: 0.2600 - 0.3150 | :: 0.2600 - 0.3150 | :: 0.2600 - 0.3150 | :: 0.2875 | :: 0.3341 |
| -- Northeast (f.o.b.) | | | | | | | |
| -- Milk Replacer | :: TFEWR | :: TFEWR | :: TFEWR | :: TFEWR | :: TFEWR | :: TFEWR | :: TFEWR |
| BUTTERMILK (Min. 30% protein) | | | | | | | |
| -- Central (f.o.b.) | :: 0.7500 - 0.8500 | :: 0.6200 - 0.7800 | :: 0.6400 - 0.8000 | :: 0.6300 - 0.7900 | :: 0.6300 - 0.7800 | :: 0.7318 | :: 0.8252 |
| -- West (f.o.b.) | :: 0.6400 - 0.7300 | :: 0.6300 - 0.7200 | :: 0.6000 - 0.7500 | :: 0.6000 - 0.7400 | :: 0.5700 - 0.7300 | :: 0.6750 | :: 0.8158 |
| -- Mostly | :: 0.6700 - 0.7000 | :: 0.6400 - 0.6700 | :: 0.6300 - 0.6500 | :: 0.6200 - 0.6400 | :: 0.6000 - 0.6300 | :: 0.6513 | :: 0.8039 |
| -- Northeast (f.o.b.) | :: 0.7700 - 0.8000 | :: 0.7600 - 0.7900 | :: 0.7600 - 0.7800 | :: 0.7500 - 0.7750 | :: 0.7400 - 0.7700 | :: 0.7724 | :: 0.8824 |
| -- Southeast (Del vd) | :: 0.8000 - 0.8200 | :: 0.7400 - 0.7900 | :: 0.7000 - 0.7900 | :: 0.7000 - 0.7700 | :: 0.6800 - 0.7700 | :: 0.7628 | :: 0.8747 |
| WHOLE MILK POWDER | | | | | | | |
| -- National | | | | | | | |
| -- National (f.o.b.) | :: 1.1000 - 1.2000 | :: 1.0700 - 1.2000 | :: 1.0700 - 1.2500 | :: 1.0700 - 1.2500 | :: 1.0700 - 1.2500 | :: 1.1513 | :: 1.6466 |
| LACTOSE | | | | | | | |
| -- Central And West (f.o.b.) | :: 0.1850 - 0.2500 | :: 0.1800 - 0.2500 | :: 0.1800 - 0.2500 | :: 0.1800 - 0.2500 | :: 0.1800 - 0.2500 | :: 0.2156 | :: 0.1700 |
| -- Mostly | :: 0.1950 - 0.2050 | :: 0.1950 - 0.2050 | :: 0.1950 - 0.2050 | :: 0.1950 - 0.2050 | :: 0.1950 - 0.2050 | :: 0.2000 | :: 0.1675 |
| CASEIN - Edible - National (f.o.b.) | | | | | | | |
| -- Nonrestricted - Rennet | :: 1.8000 - 1.9500 | :: 1.8000 - 1.9500 | :: 1.8000 - 1.9800 | :: 1.8000 - 1.9800 | :: 1.8000 - 2.1000 | :: 1.8855 | :: 2.0000 |
| -- Nonrestricted - Acid | :: 1.8500 - 2.0500 | :: 1.8500 - 2.0500 | :: 1.8500 - 2.0500 | :: 1.8500 - 2.0500 | :: 1.8500 - 2.1000 | :: 1.9513 | :: 1.9566 |

1/ Prices for all products are issued once a week and represent a value for the entire week. Monthly averages are based on weekly prices and are time-weighted according to the number of workdays in the month - Saturdays, Sundays and National Holidays excluded. No monthly average is computed if one or more weekly prices are missing.

CHICAGO MERCANTILE EXCHANGE AVERAGES FOR JANUARY 2000

| COMMODITY | REPORT NUMBER 1 | | REPORT NUMBER 2 | | REPORT NUMBER 3 | | REPORT NUMBER 4 | | REPORT NUMBER 5 | | 2000 * | 1999 * |
|--------------------|-----------------|--------|-----------------|--------|-----------------|--------|-----------------|--------|-----------------|--------|---------|---------------|
| | | | | | | | | | | | Monthly | Monthly |
| | JAN 3 - 7 | | JAN 10 - 14 | | JAN 18 - 21 | | JAN 24 - 28 | | JAN 31 | | Average | Average |
| BUTTER* | | | | | | | | | | | | |
| -- GRADE AA | | | | | | | | | | | | |
| --Monday | :: | 0.8750 | :: | 0.8900 | :: | # | :: | 0.8950 | :: | 0.9400 | :: | : |
| --Tuesday | :: | | :: | | :: | | :: | | :: | | :: | : |
| --Wednesday | :: | 0.8750 | :: | 0.9550 | :: | 0.9450 | :: | 0.8950 | :: | | :: | : |
| --Thursday | :: | | :: | | :: | | :: | | :: | | :: | : |
| --Friday | :: | 0.8750 | :: | 0.9650 | :: | 0.8875 | :: | 0.9100 | :: | | :: | 0.9090 1.4106 |
| --Weekly Average** | :: | 0.8750 | :: | 0.9367 | :: | 0.9163 | :: | 0.9000 | :: | | :: | : |
| CHEESE* | | | | | | | | | | | | |
| -- BARRELS | | | | | | | | | | | | |
| --Monday | :: | 1.1850 | :: | 1.1025 | :: | # | :: | 1.0900 | :: | 1.0900 | :: | : |
| --Tuesday | :: | 1.1850 | :: | 1.1025 | :: | 1.1025 | :: | 1.0900 | :: | | :: | : |
| --Wednesday | :: | 1.1600 | :: | 1.1025 | :: | 1.1025 | :: | 1.0900 | :: | | :: | : |
| --Thursday | :: | 1.1000 | :: | 1.1025 | :: | 1.1025 | :: | 1.0900 | :: | | :: | : |
| --Friday | :: | 1.1200 | :: | 1.1025 | :: | 1.0925 | :: | 1.0900 | :: | | :: | 1.1101 1.4217 |
| --Weekly Average** | :: | 1.1500 | :: | 1.1025 | :: | 1.1000 | :: | 1.0900 | :: | | :: | : |
| -- 40# BLOCKS | | | | | | | | | | | | |
| --Monday | :: | 1.2000 | :: | 1.1000 | :: | # | :: | 1.1100 | :: | 1.1100 | :: | : |
| --Tuesday | :: | 1.2000 | :: | 1.1000 | :: | 1.1150 | :: | 1.1100 | :: | | :: | : |
| --Wednesday | :: | 1.1900 | :: | 1.1175 | :: | 1.1150 | :: | 1.1100 | :: | | :: | : |
| --Thursday | :: | 1.1500 | :: | 1.1325 | :: | 1.1150 | :: | 1.1100 | :: | | :: | : |
| --Friday | :: | 1.1400 | :: | 1.1250 | :: | 1.1100 | :: | 1.1100 | :: | | :: | 1.1285 1.4929 |
| --Weekly Average** | :: | 1.1760 | :: | 1.1150 | :: | 1.1138 | :: | 1.1100 | :: | | :: | : |
| NONFAT DRY MILK* | | | | | | | | | | | | |
| -- EXTRA GRADE | | | | | | | | | | | | |
| --Monday | :: | 1.0300 | :: | 1.0300 | :: | # | :: | 1.0300 | :: | 1.0300 | :: | : |
| --Tuesday | :: | 1.0300 | :: | 1.0300 | :: | 1.0300 | :: | 1.0300 | :: | | :: | : |
| --Wednesday | :: | 1.0300 | :: | 1.0300 | :: | 1.0300 | :: | 1.0300 | :: | | :: | : |
| --Thursday | :: | 1.0300 | :: | 1.0300 | :: | 1.0300 | :: | 1.0300 | :: | | :: | : |
| --Friday | :: | 1.0300 | :: | 1.0300 | :: | 1.0300 | :: | 1.0300 | :: | | :: | 1.0300 1.0689 |
| --Weekly Average** | :: | 1.0300 | :: | 1.0300 | :: | 1.0300 | :: | 1.0300 | :: | | :: | : |
| -- GRADE A | | | | | | | | | | | | |
| --Monday | :: | 1.0300 | :: | 1.0300 | :: | # | :: | 1.0300 | :: | 1.0300 | :: | : |
| --Tuesday | :: | 1.0300 | :: | 1.0300 | :: | 1.0300 | :: | 1.0300 | :: | | :: | : |
| --Wednesday | :: | 1.0300 | :: | 1.0300 | :: | 1.0300 | :: | 1.0300 | :: | | :: | : |
| --Thursday | :: | 1.0300 | :: | 1.0300 | :: | 1.0300 | :: | 1.0300 | :: | | :: | : |
| --Friday | :: | 1.0300 | :: | 1.0300 | :: | 1.0300 | :: | 1.0300 | :: | | :: | 1.0300 1.0782 |
| --Weekly Average** | :: | 1.0300 | :: | 1.0300 | :: | 1.0300 | :: | 1.0300 | :: | | :: | : |

* Monthly averages are a simple average of all the closes during the month. Weekly and monthly averages are independent calculations.

** Weekly averages are simple averages of the closes during the calendar week and are for information purposes. Should the week be split between two months, the weekly average will appear in the monthly report in which the Friday close is reported.

Holiday, the CME was closed.

JANUARY AGRICULTURAL PRICES HIGHLIGHTS

The index of prices paid by farmers for commodities and services, interest, taxes, and wage rates in January 2000 was unchanged at 118. Compared with January 1999, the index was up 3 points (2.6 percent). The index of prices received by farmers for dairy products declined 2 points during the month of January 2000 to 91. Compared with January 1999, the index was down 42 points (31.6 percent).

Prices received by farmers in January with changes from December were: for All Milk, \$11.90 per hundredweight (cwt.), down \$0.30; for Fluid Grade Milk, \$12.00 per cwt., down \$0.20; and for Manufacturing Grade Milk, \$10.70 per cwt, unchanged.

SELECTED MILK PRICES, COWS AND DAIRY FEED PRICES, SELECTED STATES AND U.S., JANUARY 2000 WITH COMPARISONS

| STATE | All-milk price <u>1/</u> <u>3/</u> | | | | Milk cows <u>5/</u> | | Cows <u>6/</u> | | All hay baled <u>7/</u> | |
|-------|------------------------------------|----------------|------------------|----------------|---------------------|-------|------------------|----------------|-------------------------|--------|
| | Dollars per cwt. | | Dollars per cwt. | | Dollars per head | | Dollars per cwt. | | Dollars per ton | |
| | DECEMBER | | JANUARY | | JANUARY | | JANUARY | | JANUARY | |
| | 1999 | 1998 <u>2/</u> | 2000 <u>4/</u> | 1999 <u>2/</u> | 2000 | 1999 | 2000 <u>7/</u> | 1999 <u>8/</u> | 2000 | 1999 |
| CA | 11.50 | 17.00 | 11.00 | 16.20 | 1,480 | 1,340 | 34.50 | 33.50 | 79.00 | 79.00 |
| ID | 11.00 | 17.80 | 11.30 | 14.40 | 1,300 | 1,270 | 32.50 | 33.30 | 86.00 | 80.00 |
| MI | 12.60 | 17.70 | 12.30 | 18.20 | 1,290 | 1,300 | 36.00 | 33.10 | 77.00 | 85.00 |
| MN | 11.81 | 18.99 | 11.70 | 16.97 | 1,220 | 1,190 | 36.00 | 34.30 | 62.00 | 64.00 |
| NY | 12.30 | 18.00 | 12.80 | 18.00 | 1,200 | 1,150 | --- | --- | 116.00 | 101.00 |
| OH | 13.00 | 18.20 | 12.40 | 18.60 | 1,250 | 1,200 | 35.00 | 32.40 | 116.00 | 106.00 |
| PA | 13.10 | 18.30 | 12.90 | 18.30 | 1,320 | 1,320 | 36.30 | 35.30 | 138.00 | 117.00 |
| TX | 13.60 | 18.20 | 13.20 | 18.00 | 1,420 | 1,280 | 33.80 | 31.80 | 66.00 | 72.00 |
| WA | 12.40 | 17.30 | 11.70 | 17.00 | 1,280 | 1,270 | --- | --- | 97.00 | 103.00 |
| WI | 11.63 | 19.00 | 11.60 | 16.77 | 1,360 | 1,260 | 35.60 | 35.00 | 54.00 | 70.00 |
| U.S. | 12.20 | 18.00 | 11.90 | 17.40 | 1,330 | 1,250 | 35.20 | 33.40 | 71.80 | 78.80 |

1/ Prices are shown at reported butterfat test. 2/ Partially revised. 3/ Before deductions for hauling. Includes quality, quantity, and other premiums. Excludes hauling subsidies. 4/ Preliminary. 5/ Animals sold for dairy herd replacement only. 6/ Beef cows and cull dairy cows sold for slaughter. 7/ Mid-month price. 8/ Entire month.

MILK AND OTHER GENERAL PRICE MEASURES, U.S., JANUARY 2000 WITH COMPARISONS

| ITEM | JANUARY 1999 | DECEMBER 1999 <u>2/</u> | JANUARY 2000 <u>3/</u> |
|--|-----------------|----------------------------|---------------------------|
| PRICES RECEIVED BY FARMERS , dol. per cwt., at reported butterfat test: | | | |
| All milk | 17.40 | 12.20 | 11.90 |
| Fluid grade milk | 17.50 | 12.20 | 12.00 |
| Manufacturing grade milk | 15.30 | 10.70 | 10.70 |
| INDEX NUMBERS (1990-92=100): | | | |
| Prices received by farmers for all farm products | 97 | 92 | 90 |
| Prices received by farmers for dairy products | 133 | 93 | 91 |
| Prices paid by farmers for commodities and services, interest taxes, and wage rates | 115 | 118 | 118 |
| Prices paid by farmers for production items | 111 | 115 | 115 |
| Prices paid by farmers for feed | 104 | 101 | 103 |
| MILK FEED PRICE RATIO: Pounds of 16% Mixed Dairy Feed equal in value to one pound of milk <u>3/</u> | 4.09 | 3.25 | 3.08 |

1/ Partially revised. 2/ Preliminary. 3/ For this data series, the price of the commercial prepared feed is based on current U.S. prices received for corn, soybeans, and alfalfa hay.

SOURCE: "Agricultural Prices," Pr 1 (1-00), Agricultural Statistics Board, National Agricultural Statistics Service, USDA.

| ANNOUNCED COOPERATIVE AND MINIMUM FEDERAL ORDER CLASS I PRICES IN SELECTED CITIES, ANNUAL AVERAGES, 1996-1999 ^{1/} | | | | | | | | | | | | |
|---|---------------------------|-------|------------|---------------|-------|------------|---------------|-------|------------|---------------|-------|------------|
| CITY | 1996 | | | 1997 | | | 1998 | | | 1999 | | |
| | Federal Order | Coop. | Difference | Federal Order | Coop. | Difference | Federal Order | Coop. | Difference | Federal Order | Coop. | Difference |
| | Dollars Per Hundredweight | | | | | | | | | | | |
| Atlanta, GA | 16.71 | 17.74 | 1.03 | 14.85 | 16.08 | 1.23 | 16.62 | 17.78 | 1.16 | 16.74 | 17.94 | 1.20 |
| Baltimore, MD | 16.66 | 17.46 | 0.80 | 14.80 | 15.92 | 1.12 | 16.57 | 17.74 | 1.17 | 16.69 | 17.71 | 1.02 |
| Boston, MA ^{2/} | 16.87 | 17.63 | 0.76 | 15.01 | 15.96 | 0.95 | 16.78 | 17.30 | 0.52 | 16.90 | 17.38 | 0.48 |
| Carbondale, IL | 15.64 | 16.99 | 1.35 | 13.78 | 15.89 | 2.11 | 15.55 | 17.18 | 1.63 | 15.67 | 17.36 | 1.69 |
| Charlotte, NC | 16.71 | 18.11 | 1.40 | 14.85 | 16.32 | 1.47 | 16.62 | 17.78 | 1.16 | 16.74 | 17.94 | 1.20 |
| Chicago, IL | 15.03 | 16.82 | 1.79 | 13.17 | 15.34 | 2.17 | 14.94 | 16.69 | 1.75 | 15.06 | 16.94 | 1.88 |
| Cincinnati, OH | 15.74 | 16.67 | 0.93 | 13.88 | 15.53 | 1.65 | 15.65 | 17.40 | 1.75 | 15.77 | 17.53 | 1.76 |
| Cleveland, OH | 15.63 | 16.41 | 0.78 | 13.77 | 15.34 | 1.57 | 15.54 | 17.17 | 1.63 | 15.66 | 17.18 | 1.52 |
| Dallas, TX | 16.79 | 17.25 | 0.46 | 14.93 | 15.46 | 0.53 | 16.70 | 16.97 | 0.27 | 16.82 | 17.26 | 0.44 |
| Denver, CO | 16.36 | 16.83 | 0.47 | 14.50 | 14.65 | 0.15 | 16.27 | 16.48 | 0.21 | 16.39 | 17.72 | 1.33 |
| Des Moines, IA | 15.18 | 16.41 | 1.23 | 13.32 | 14.95 | 1.63 | 15.09 | 16.00 | 0.91 | 15.21 | 16.43 | 1.22 |
| Detroit, MI | 15.48 | 16.36 | 0.88 | 13.62 | 14.69 | 1.07 | 15.39 | 16.35 | 0.96 | 15.51 | 16.58 | 1.07 |
| Hartford, CT ^{2/} | 16.77 | 17.53 | 0.76 | 14.91 | 15.86 | 0.95 | 16.68 | 17.20 | 0.52 | 16.80 | 17.28 | 0.48 |
| Houston, TX | 17.33 | 17.79 | 0.46 | 15.47 | 16.00 | 0.53 | 17.24 | 17.51 | 0.27 | 17.36 | 17.80 | 0.44 |
| Indianapolis, IN | 15.53 | 16.69 | 1.16 | 13.67 | 15.45 | 1.78 | 15.44 | 17.09 | 1.65 | 15.56 | 17.13 | 1.57 |
| Kansas City, MO | 15.55 | 16.55 | 1.00 | 13.69 | 15.22 | 1.53 | 15.46 | 16.30 | 0.84 | 15.58 | 16.62 | 1.04 |
| Little Rock, AR/Memphis, TN ^{3/} | 16.40 | 16.77 | 0.37 | 14.54 | 15.10 | 0.56 | 16.31 | 17.15 | 0.84 | 16.43 | 17.26 | 0.83 |
| Louisville, KY | 15.74 | 16.67 | 0.93 | 13.88 | 14.98 | 1.10 | 15.65 | 16.65 | 1.00 | 15.77 | 16.84 | 1.07 |
| Miami, FL | 17.81 | 20.06 | 2.25 | 15.95 | 18.84 | 2.89 | 17.72 | 20.34 | 2.62 | 17.84 | 20.40 | 2.56 |
| Milwaukee, WI | 14.94 | 16.73 | 1.79 | 13.08 | 15.25 | 2.17 | 14.85 | 16.60 | 1.75 | 14.97 | 16.85 | 1.88 |
| Minneapolis, MN | 14.83 | 16.02 | 1.19 | 12.97 | 14.57 | 1.60 | 14.74 | 15.63 | 0.89 | 14.86 | 15.98 | 1.12 |
| New Orleans, LA | 17.28 | 17.69 | 0.41 | 15.42 | 16.12 | 0.70 | 17.19 | 17.74 | 0.55 | 17.31 | 17.92 | 0.61 |
| Oklahoma City, OK | 16.40 | 16.88 | 0.48 | 14.54 | 15.16 | 0.62 | 16.31 | 17.00 | 0.69 | 16.43 | 17.46 | 1.03 |
| Omaha, NE | 15.38 | 16.41 | 1.03 | 13.52 | 15.05 | 1.53 | 15.29 | 16.13 | 0.84 | 15.41 | 16.52 | 1.11 |
| Philadelphia, PA | 16.72 | 17.47 | 0.75 | 14.86 | 15.94 | 1.08 | 16.63 | 17.77 | 1.14 | 16.75 | 17.79 | 1.04 |
| Phoenix, AZ | 16.15 | 16.15 | 0.00 | 14.29 | 14.29 | 0.00 | 16.06 | 16.06 | 0.00 | 16.18 | 16.23 | 0.05 |
| Pittsburgh, PA | 15.63 | 16.18 | 0.55 | 13.77 | 14.61 | 0.84 | 15.54 | 16.43 | 0.89 | 15.66 | 16.40 | 0.74 |
| St. Louis, MO | 15.60 | 16.45 | 0.85 | 13.75 | 15.25 | 1.50 | 15.52 | 16.77 | 1.25 | 15.67 | 17.36 | 1.69 |
| Salt Lake City, UT | 15.53 | 15.73 | 0.20 | 13.67 | 13.90 | 0.23 | 15.44 | 15.67 | 0.23 | 15.56 | 15.84 | 0.28 |
| Seattle, WA | 15.53 | 15.88 | 0.35 | 13.67 | 14.01 | 0.34 | 15.44 | 16.14 | 0.70 | 15.56 | 16.74 | 1.18 |
| Spokane, WA | 15.62 | 16.07 | 0.45 | 13.77 | 14.30 | 0.53 | 15.54 | 16.34 | 0.80 | 15.56 | 16.74 | 1.18 |
| Springfield, MO | 16.10 | 16.71 | 0.61 | 14.24 | 15.20 | 0.96 | 16.01 | 16.85 | 0.84 | 15.85 | 16.90 | 1.05 |
| Washington, DC | 16.46 | 17.30 | 0.84 | 14.60 | 15.69 | 1.09 | 16.37 | 17.54 | 1.17 | 16.69 | 17.71 | 1.02 |
| Simple Average | 16.06 | 16.92 | 0.86 | 14.21 | 15.36 | 1.16 | 15.98 | 16.96 | 0.98 | 16.09 | 17.20 | 1.11 |

^{1/} These figures are simple averages of monthly prices. The cooperative price represents over-order Class I prices announced for the beginning of the month by cooperative associations in various city markets. The information relates to the major cooperative in each of the city markets and may not apply to all of the Class I sales in these city markets. These data are common market knowledge in the sense that the information represents basic Class I price announcements by the cooperative sent to all handlers who buy milk from them. These announced over-order prices represent charges for various services performed by the cooperative. Announced prices may not include handling or service charges applicable to milk from supply plants. In some instances, the announced over-order prices are not uniform in that competitive credits may be allowed. These prices have not been verified as having been actually paid by handlers. ^{2/} Data for 1997 to date do not include the impact of prices established under the Northeast Dairy Compact. ^{3/} Prices reported for Memphis, TN beginning January 1, 1999.

J A N U A R Y 2000 DEIP BID ACCEPTANCES

| ACCEPTANCE DATE | DESTINATION | QUANTITY (MT) | DEL. PERIOD | BONUS/MT |
|---|-------------------------|---------------|-------------|-----------------|
| NONFAT DRY MILK | | | | |
| JULY - DECEMBER 1999 | | 73,865 | | |
| 01/05 | AFRICA & MIDDLE EAST | 202 | JAN-MAR | \$745 |
| 01/06 | ASIA & FSU | 2,000 | JAN-MAY | \$725 |
| 01/07 | ASIA & FSU | 563 | JAN-FEB | \$725 |
| 01/07 | AFRICA & MIDDLE EAST | 675 | JAN-MAY | \$745 |
| 01/13 | CARIBBEAN, CENT & S. AM | 1,120 | JAN-SEP | \$702.68 |
| 01/14 | CARIBBEAN, CENT & S. AM | 70 | JAN-MAR | \$725 |
| 01/18 | CARIBBEAN, CENT & S. AM | 58 | JAN-APR | \$725 |
| 01/19 | CARIBBEAN, CENT & S. AM | 210 | JAN-MAY | \$719.05 |
| 01/19 | ASIA & FSU | 160 | FEB-AUG | \$725 |
| 01/20 | CARIBBEAN, CENT & S. AM | 235 | JAN-OCT | \$725 |
| 01/24 | CARIBBEAN, CENT & S. AM | 50 | JAN-MAR | \$700 |
| 01/27 | AFRICA & MIDDLE EAST | 25 | JAN-APR | \$745 |
| 01/27 | CARIBBEAN, CENT & S. AM | 15 | JAN-FEB | \$725 |
| 01/28 | AFRICA & MIDDLE EAST | 150 | JAN-MAY | \$745 |
| 01/28 | CARIBBEAN, CENT & S. AM | 208 | JAN-JUL | \$710.54 |
| 01/31 | CARIBBEAN, CENT & S. AM | 345 | JAN-JUL | \$725 |
| JANUARY 1-31, 2000 | | <u>6,086</u> | | |
| WHOLE MILK POWDER | | | | |
| JULY - DECEMBER 1999 | | 4,463 | | |
| 01/12 | CARIBBEAN, CENT & S. AM | 20 | JAN-FEB | \$1,250 |
| 01/13 | CARIBBEAN, CENT & S. AM | 640 | JAN-MAY | \$1,250 |
| 01/14 | CARIBBEAN, CENT & S. AM | 100 | JAN-JUL | \$1,200 |
| 01/18 | CARIBBEAN, CENT & S. AM | 515 | JAN-MAY | \$1,203.88 |
| 01/20 | CARIBBEAN, CENT & S. AM | 75 | JAN-JUL | \$1,200 |
| 01/24 | CARIBBEAN, CENT & S. AM | 40 | JAN-MAR | \$1,200 |
| 01/31 | CARIBBEAN, CENT & S. AM | 1,200 | JAN-JUL | \$1,175 |
| JANUARY 1 - 31, 2000 | | <u>2,590</u> | | |
| CHEESE | | | | |
| JULY - DECEMBER 1999 | | 1,249 | | |
| 01/12-P | CARIBBEAN, CENT & S. AM | 11 | JAN-FEB | \$690 |
| 01/18-P | CARIBBEAN, CENT & S. AM | 76 | JAN-FEB | \$690 |
| 01/21-P | CARIBBEAN, CENT & S. AM | 19 | JAN-FEB | \$690 |
| JANUARY 1 - 31, 2000 | | <u>106</u> | | |
| C-CHEDDAR, G-GOUDA, M-MOZZARELLA, P-PROCESSED AMERICAN, CC-CREAM CHEESE, MJ-MONTEREY JACK, V - VARIETAL | | | | |
| BUTTERFAT | | | | |
| JULY - DECEMBER 1999 | | 2,936 | | |
| 01/10-A | CARIBBEAN, CENT & S. AM | 40 | JAN-MAR | \$1,450 |
| 01/19-A | CARIBBEAN, CENT & S. AM | 369 | FEB-MAR | \$1,550 |
| 01/21-A | CARIBBEAN, CENT & S. AM | 625 | MAR-JUL | \$1,550 |
| 01/28-A | CARIBBEAN, CENT & S. AM | 110 | MAR-APR | \$1,515 |
| JANUARY 1 - 31, 2000 | | <u>1,172*</u> | | |
| A-ANHYDROUS MILKFAT, B-BUTTER | | | | |
| *TOTALS DO NOT ADD DUE TO CONVERSION OF ANHYDROUS/BUTTEROIL TO BUTTER EQUIVALENT | | | | |
| TOTAL MT | | | | PROGRAM TO DATE |
| TOTAL BONUS VALUE | | | | 92,467 |
| | | | | \$91,628,000 |

Exporters of U.S. milk powder, butterfat and cheddar cheese are aided under the Dairy Export Incentive Program (DEIP), created by Food Security Act of 1985 and extended by the Food, Agriculture, Conservation, and Trade Act of 1990. Export sales are facilitated through payment of bonuses by the U.S. Department of Agriculture's Commodity Credit Corporation. Sales of dairy products will be made through normal commercial channels at competitive world prices. For further information call L.T. McElvain (202) 720-6211. Conversion: 1 metric ton (MT) = 2,204.6 pounds. **SOURCE: FOREIGN AGRICULTURAL SERVICE**

** On May 13, 1999, Sec. Glickman reallocated an additional 20,000 MT of NDM, 7,500 MT of Whole Milk Powder & 1,270 MT of Cheese for the current program year.

CCC PURCHASES OF DAIRY PRODUCTS

| | FOR THE WEEK OF JANUARY 31 - FEBRUARY 4 | | | CUMULATIVE TOTALS | | UNCOMMITTED INVENTORIES | |
|------------------------|---|-------------|------------|-------------------|-------------|-------------------------|-------------|
| | TOTAL | CONTRACT | ADJUSTED | SINCE | SAME PERIOD | PERIOD ENDING | SAME PERIOD |
| | PURCHASES | ADJUSTMENTS | PURCHASES | 10/01/99 | LAST YEAR | 01/28/00 | LAST YEAR |
| BUTTER | | | | | | | |
| Bulk | -0- | -0- | -0- | -0- | -0- | -0- | -0- |
| Packaged | -0- | -0- | -0- | -0- | -0- | -0- | -0- |
| TOTAL | -0- | -0- | -0- | -0- | -0- | -0- | -0- |
| CHEESE | | | | | | | |
| Block | -0- | -0- | -0- | -0- | -0- | -0- | -0- |
| Barrel | -0- | -0- | -0- | -0- | -0- | -0- | -0- |
| Process | -0- | -0- | -0- | -0- | -0- | -0- | -0- |
| TOTAL | -0- | -0- | -0- | -0- | -0- | -0- | -0- |
| NONFAT DRY MILK | | | | | | | |
| Nonfortified | 13,044,139 | 247,962 | 12,796,177 | 94,797,438 | 1,928,577 | -0- | -0- |
| Fortified | -0- | -0- | -0- | 5,077,653 | -0- | -0- | -0- |
| TOTAL | 13,044,139 | 247,962 | 12,796,177 | 99,875,091 | 1,928,577 | -0- | -0- |

MILK EQUIVALENT, MILKFAT AND SKIM SOLIDS BASIS, OF ADJUSTED PURCHASES (MILLION POUNDS)

| | MILKFAT* | SKIM** | | MILKFAT* | SKIM** |
|---|----------|---------|------------------------------------|----------|--------|
| | BASIS | SOLIDS | | BASIS | SOLIDS |
| WEEK OF JANUARY 31 - FEBRUARY 4, 2000 = | 2.8 | 148.9 | COMPARABLE WEEK IN 1999 = | 0.3 | 14.0 |
| CUMULATIVE SINCE OCTOBER 1, 1999 = | 22.0 | 1,162.5 | CUMULATIVE SAME PERIOD LAST YEAR = | 0.4 | 22.4 |
| CUMULATIVE JANUARY 1 - FEBRUARY 4, 2000 = | 10.8 | 569.4 | COMPARABLE CALENDAR YEAR 1999 = | 0.4 | 21.2 |

* Factors used for Milkfat Solids Basis: Butter times 21.80; Cheese times 9.23; and Nonfat Dry Milk times 0.22

**Factors used for Skim Solids Basis: Butter times 0.12; Cheese times 9.90; and Nonfat Dry Milk times 11.64

CCC ADJUSTED PURCHASES FOR THE WEEK OF JANUARY 31 - FEBRUARY 4, 2000 (POUNDS)

| | BUTTER | | | CHEESE | | | NONFAT DRY MILK | |
|---------|--------|----------|----------|--------|--------|---------|-----------------|-----------|
| | BULK | PACKAGED | UNSALTED | BLOCK | BARREL | PROCESS | NONFORTIFIED | FORTIFIED |
| MIDWEST | -0- | -0- | -0- | -0- | -0- | -0- | 1,050,380 | -0- |
| WEST | -0- | -0- | -0- | -0- | -0- | -0- | 11,745,797 | -0- |
| EAST | -0- | -0- | -0- | -0- | -0- | -0- | -0- | -0- |

CCC ADJUSTED PURCHASES SINCE 10/1/99 AND SAME PERIOD LAST YEAR (POUNDS) AND MILK EQUIVALENT AS A PERCENT OF TOTAL

| | BUTTER | | CHEESE | | NONFAT DRY MILK | | MILK EQUIVALENT | |
|--------------|---------|---------|---------|---------|-----------------|-----------|-----------------|---------|
| REGION | 1999/00 | 1998/99 | 1999/00 | 1998/99 | 1999/00 | 1998/99 | 1999/00 | 1998/99 |
| MIDWEST | -0- | -0- | -0- | -0- | 3,830,217 | -0- | 3.8 | 0.0 |
| WEST | -0- | -0- | -0- | -0- | 95,956,690 | 1,928,577 | 96.1 | 100.0 |
| EAST | -0- | -0- | -0- | -0- | 88,184 | -0- | 0.1 | 0.0 |
| TOTAL | -0- | -0- | -0- | -0- | 99,875,091 | 1,928,577 | 100.0 | 100.0 |

SUPPORT PURCHASE PRICES FOR DAIRY PRODUCTS PRODUCED ON OR AFTER JANUARY 1, 2000MANUFACTURING MILK: Average Test 3.67% - \$9.90 per cwt.; 3.5% - \$9.80DOLLARS PER POUNDBUTTER: Bulk \$.6500; 1# Prints \$.6800CHEESE: 40 & 60# Blocks \$1.1000; 500# Barrels \$1.0700; Process American 5# \$1.1525; Process American 2# \$1.1925NONFAT DRY MILK: Nonfortified \$1.0100; Fortified \$1.0200; Instant \$1.1675

Dairy Cow & Total Cow Slaughter under Federal Inspection, by Regions & U.S., for Week Ending 01/15/00 & Comparable Week 1999 1/ 2/

| Regions* | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | U.S. TOTAL | % DAIRY OF ALL |
|--------------------------|-----|-----|------|------|------|------|------|-----|------|-----|------------|----------------|
| | | | | | | | | | | | | |
| 2000-Dairy cows HD (000) | 0.2 | 1.0 | 7.4 | 5.6 | 23.0 | 2.9 | 1.1 | 0.9 | 11.3 | 3.3 | 56.8 | 158.8 |
| 1999-Dairy cows HD (000) | 0.2 | 0.8 | 6.2 | 7.0 | 21.3 | 2.9 | 3.4 | 0.7 | 10.6 | 3.1 | 56.1 | 151.5 |
| 2000-All cows HD (000) | 0.2 | 1.2 | 10.3 | 14.1 | 30.8 | 15.6 | 16.0 | 5.5 | 13.9 | 7.8 | 115.5 | 321.2 |
| 1999-All cows HD (000) | 0.2 | 0.8 | 8.6 | 17.9 | 30.1 | 21.2 | 22.5 | 6.1 | 13.1 | 8.2 | 128.8 | 338.4 |

SOURCE: The slaughter data are gathered and tabulated in a cooperative effort by the Agricultural Marketing Service, The Food Safety and Inspection Service, and the National Agricultural Statistics Service, all of USDA.

1/ States included in regions are as follows: Region 1--ME, NH, VT, CT, MA, and RI; Region 2--NY and NJ; Region 3--DE, PA, WV, VA, and MD; Region 4--KY, TN, NC, SC, GA, AL, MS, and FL; Region 5--MI, OH, IN, IL, WI, and MN; Region 6--TX, OK, NM, AR, and LA; Region 7--IA, NB, KS, and MO; Region 8--MT, WY, CO, UT, ND, and SD; Region 9--CA, NV, AZ, and HA; Region 10--ID, OR, and WA. 2/ Totals may not add due to rounding.

FEDERAL MILK ORDER CLASS PRICES FOR 2000 (3.5% BF)

| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec |
|------------|-------|-------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| Class I 1/ | 10.90 | 10.71 | | | | | | | | | | |
| Class II | 11.43 | | | | | | | | | | | |
| Class III | 10.05 | | | | | | | | | | | |
| Class IV | 10.73 | | | | | | | | | | | |

1/ Specific order differentials to be added to this base price are located at: www.ams.usda.gov/dairy/fmorc_announce.htm